



CDX Gas, LLC
1801 Broadway, Suite 1060
Denver, Colorado 80202
Tel: 303-298-8211
Fax: 303-299-1134

RECEIVED
JUL 06 2004
DIV. OF OIL, GAS & MINING

July 2, 2004

Diana Whitney
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Via UPS

RE: **Atchee Canyon Well 25-12-25 #4**
NE/4NW/4 Sec. 25-T12S-R25E, S.L.B.&M.
Uintah County, Utah

Dear Ms. Sutton,

Enclosed is a complete set of the APD, plats, surveys, attachments and exhibits for the above referenced well.

The water source for the pending APD for the Federal Atchee Canyon 25-12-25 #4 will be the same as the source for the Federal Atchee Canyon 35-12-25.

Should you have any questions concerning these matters, please do not hesitate to call me at (303) 298-8211 x2888.

Very truly yours,

A handwritten signature in cursive script that reads "Laurie Hardy".
Laurie Hardy
Land Administrator

/lh
Enclosures

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

001

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: <u>Fee</u>	6. SURFACE: <u>Fee</u>
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
8. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: <u>Displacement Pond</u>	
2. NAME OF OPERATOR: CDX Gas, LLC				9. WELL NAME and NUMBER: Atchee Canyon 25-12-25 #4	
3. ADDRESS OF OPERATOR: 1801 Broadway #1060 CITY Denver STATE CO ZIP 80202			PHONE NUMBER: (303) 298-8211	10. FIELD AND POOL, OR WILDCAT: Wildcat	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1150' FNL 2283' FWL <u>665540X 39.74996</u> <u>4401581Y -109.06782</u> AT PROPOSED PRODUCING ZONE: NE/4NW/4 Sec. 25, T12S, R25E, S.L.B.&M.				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 25 12S 25E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 17 miles south of Bonanza, Utah				12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1150'		16. NUMBER OF ACRES IN LEASE: 320 acres		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 320 acres	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) N/A		19. PROPOSED DEPTH: 7,307		20. BOND DESCRIPTION: <u>Boo 903</u>	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6027 GL		22. APPROXIMATE DATE WORK WILL START: 7/1/2004		23. ESTIMATED DURATION: 3 weeks	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12 1/4	9 5/8 surf. J55 36 lb.	575	Premium 2 w/ cal. chl. .25 lb. per sk. <u>220</u> 1.41 14.5
7 7/8	5 1/2 prd N80 17 lb.	7,300	Prem. lite + 5% sod cl 12.5 lb per gal <u>143</u> 2.25 12.5
			<u>584</u> 2.49 <u>9</u>

RECEIVED

JUL 06 2004

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

DIV. OF OIL, GAS & MINING

- | | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |
|--|--|

NAME (PLEASE PRINT) Alvin (AI) R. Arlian TITLE Land Manager, Western Operations
 SIGNATURE [Signature] DATE 6-21-04

(This space for State use only)

API NUMBER ASSIGNED: 43-047-35830

APPROVAL:

**Approved by the
Utah Division of
Oil, Gas and Mining**
 Date: 08-17-04
 By: [Signature]

CDX GAS, LLC
WELL LOCATION
ATCHEE CANYON 25-12-25 #4
1150' FNL 2283' FWL
SECTION 25, T12S, R25E, S.L.B.&M.
UTAH COUNTY, UTAH

T12S, R25E, S.L.B.&M.

CONTROL DIAGRAM

1" = 1000'

0 500 1,000 2,000 Feet

Fnd. 3.5"
Brass Cap
GLO 1921
M.P. 190

N88°42'37" E 54.05' (calc.)

N88°42'37" E 4553.8' (meas.)

East 40.00 ch. (G.L.O.)

1150' (computed)

Fnd. mound
of stones for
1/4 corner

Fnd. mound
of stones for
Closing Corner

2283' (computed)

Atchee Canyon 25-12-25 #4
Elevation Ungraded Ground = 6027'

25

UTAH

S 0°11'12" W 5248.48' (calc.)

COLORADO

THIS IS TO CERTIFY THAT THIS PLAT WAS
PREPARED FROM FIELD NOTES OF ACTUAL
SURVEYS MADE BY ME OR UNDER MY
DIRECT SUPERVISION, AND THAT THE SAME
ARE TRUE AND CORRECT TO THE BEST OF
KNOWLEDGE AND BELIEF.

DAVID ALEXANDER JOHNSON,
PROFESSIONAL LAND SURVEYOR
UTAH LICENSE NO. 174617

N 0°50'14" W 5146.4' (calc.)



BASIS OF BEARING

ASTRONOMIC OBSERVATION TAKEN
AT MONUMENT FOUND FOR M.P. 190

BASIS OF ELEVATION

NAVD 88, AS PREDICTED BY GEOID 99

DATE OF SURVEY: JUNE 9, 2004

JMAS JOHNSON MAPPING AND SURVEYING
PO BOX 2174
FARMINGTON NM 87403-2174

505-327-3446
alex@johnsmapping.biz

PROJECT	CDXGAS001
ARC MAP	CDXGAS001.DGN
PREPARED	DAJ 6/13/04
REVIEWED	
DATA FILES	ATCHFERAW.DC, 329815.11.DAT, 329816.11.DAT

Fnd. mound
of stones for
Section Corner

East 108.40 ch. (G.L.O.)



CDX Gas, LLC
1801 Broadway, Suite 1060
Denver, Colorado 80202
Tel: 303-298-8211
Fax: 303-299-1134

June 21, 2004

Pat Sutton
Bureau of Land Management
170 South 500 East
Vernal, Utah 84078

RE: **Atchee Canyon Well 25-12-25 #4**
NE/4NW/4 Sec. 25-T12S-R25E, S.L.B.&M.
Uintah County, Utah


Dear Ms. Sutton,

Enclosed is a complete set of the APD, plats, surveys, attachments and exhibits for the above referenced well.

The water source for the pending APD for the Federal Atchee Canyon 25-12-25 #4 will be the same as the source for the Federal Atchee Canyon 35-12-25.

Should you have any questions concerning these matters, please do not hesitate to call me at (303) 298-8211 x2888.

Very truly yours,


Laurie Hardy
Land Administrator

/lh
Enclosures

DRILLING PROGRAM

**Atchee Canyon 25-12-25 #4 Well
NENW Sec 25-T12S-R25E
Uintah, County, Utah**

1. Contracts:

A. Permit Matters

CDX Gas, LLC
Al Arlian
1801 Broadway, Suite 1060
Denver, CO 80202
OFFICE: 303-298-8211
HOME: 303-690-7123
CELL: 303-589-6893

B. Drilling & Completion Matters

CDX Gas, LLC.
Ron Johnston
4801 North Butler, Avenue, Suite 2000
Farmington, New Mexico 87401
OFFICE: 505-326-5005, Extension 2801
HOME: 970-348-1664
CELL: 214-208-2731

Or CDX Gas, LLC
Scott Hutson
4801 North Butler, Avenue, Suite 2000
Farmington, New Mexico 87401
OFFICE: 505-326-5005
CELL: ~~214-435-2218~~ 214-908-1803

2. Mineral and Surface Ownership

A. Mineral Ownership

Utah Colorado Oil Corporation
c/o Brad Ocklund
Cramer Oil Company
410 17th Street, Suite 1340
Denver, Colorado 80202
Office: 303-573-5582

B. Surface Ownership

Utah Colorado Oil Corporation
c/o Brad Ocklund
Cramer Oil Company
410 17th Street, Suite 1340
Denver, Colorado 80202
Office: 303-573-5582

3. Water Source:

White River
Dalbo, Inc. (Permit T75376)
3 miles south of Bonanza
Evacuation Wash and White River
(No surface water on property)

4. Estimated Tops of Important Geologic Markers:

Ground Level Elevation:		6,027'
KB Elevation (DATUM):		6,039'
Proposed TD:		7,307'
Primary Objective:		Dakota
Formation Tops	Top MD (KB)	Subsea
Quaternary Alluvium	0	6,039'
Wasatch FM	10'	6,029'
Mesa Verde	535'	5,504'
Nelsen Coal Zone	1,650'	4,389'
Upper Sergo Sandstone	2,543'	3,496'
Lower Sergo Sandstone	2,735'	3,304'
Buck Tongue Mancos	2,850'	3,189'
Castlegate	2,998'	3,041'
Mancos Shale (MNCS)	3,253'	2,786'
Mancos B (MNCS)	4,082'	1,957'
Lower Mancos (MNCS)	4,508'	1,531'
Frontier Formation	6,677'	-638'
Mowry Shale	6,779'	-740
Dakota Silt (DKOT)	6,850'	-811

Dakota Formation (DKOTO)	6,946'	-907
Cedar Mountain Fm (CDMN)	7,034'	-995
Buckhorn Conglomerate (CDMN)	7,179'	-1140
Morrison Formation (MRSN)	7,207'	-1168
Brushy Basin Member (MRSN)	7,207'	-1168
Proposed TE	7,307'	-1268'

5. **Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

Substance	Formation	Depth
Gas	N/A	N/A
Water	N/A	N/A
Other Mineral Zones	N/A	N/A

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

6. **Pressure Control Equipment:** (Schematic Attached)

CDX Gas, LLC's minimum specifications for pressure control equipment is as follows:

- A. Ram Type: 11" Hydraulic double with annular, 5,000 psi w.p.
- B. Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.
- C. Annular type preventers (if used) shall be tested to 50 percent of rated working pressure. Pressure shall be maintained for at least 10 minutes or until provisions of test are met, whichever is longer.

- D. As a minimum, the above test shall be performed:
- i. when initially installed;
 - ii. whenever any seal subject to test pressure is broken;
 - iii. following related repairs; and
 - iv. at 30-day intervals
- E. Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.
- F. When testing the kill line valve(s) the check valve shall be held open or the ball removed.
- G. Annular preventers shall be functionally operated at least weekly.
- H. Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.
- I. A BOPE pit level drill shall be conducted weekly for each drilling crew.
- J. Pressure tests shall apply to all related well control equipment.
- K. All of the above described tests and/or drills shall be recorded in the drilling log.
- L. BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.
- M. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 5,000 psi working pressure blowout preventer.
- ii. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.

- iii. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- iv. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

7. **Proposed Casing and Cementing Program:**

- A. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation, which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.
- B. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).
- C. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data).
- D. Casing collars shall have a minimum clearance of 0.422 inches on all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- E. All waiting on cement times shall be adequate to achieve minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
- F. All casing, except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.
- G. The surface casing shall be cemented back to surface either during the primary cement job or by the remedial cementing.

- H. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.
- I. Centralizers will be run on the bottom three joints of the surface casing with a minimum of 1 centralizer per joint starting with the shoe joint.
- J. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable pre-flush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
- K. All Casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.
- L. On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

- M. The proposed casing program will be as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>O.D</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	<u>New or Used</u>
Surface	0-575'	12-1/4'	9-5/8"	36.0#	J-55	ST&C	New*
Production	7,300'-TD	7-7/8'	5-1/2"	17.0#	N-80	LT&C	New**

- N. Casing design subject to revision based on geologic conditions encountered.
- O. The cement program will be as follows:

<u>Depth</u>	<u>Type and Amount</u>
0 - 575'	*584 sacks Premium 2 (Yield - 2.49) with 3#/sk of KOL seal with 3% Potassium Chloride, 1.4#/sk of Celloflake, 8% bentonite & 3% Sodium Metasilicate

<u>Depth</u>	<u>Type and Amount</u>
475' – 7300'	*143 sacks Premium Lite High Strength (Yield – 2.25) with 5% Sodium Chloride, 1#/sk Celloflake, 3% CD32, 7% F152 + 3#/sk of KOL seal (or sufficient to circulate to surface).

*Actual volumes to be calculated from caliper log.

P. Anticipated cement tops will be reported as to depth; not the expected number of sacks of cement to be used. The District Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.

Q. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.

R. Auxiliary equipment to be used is as follows:

- a. Kelly cock
- b. Bit float, not deemed necessary.
- c. A sub with a full opening valve.

8. Mud Program:

A. The proposed circulating mediums to be employed in drilling are as follows:

	<u>Interval</u>	<u>Mud Type</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>F/L</u>	<u>PH</u>
a.	0-575'	Air/Air Mist	NA	N/A	NA	NA
b.	575'-7,300'	LSND	8.4- 8.8	638	10-15 PC	9.0

Sufficient quantities of mud materials will be maintained or readily accessible for the purpose of assuring well control during the course of drilling operations.

A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss, and Ph.

- B. Mud monitoring equipment to be used is as follows:

Periodic checks of the mud system will be made each tour. The mud level will be checked visually.

- C. No chromate additives will be used in the mud system on Federal and/or Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.
- D. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

9. **Evaluation Program:**

The anticipated type and amount of testing, logging and coring are as follows:

- A. No drill stem tests are anticipated, however, if they are run the following will be adhered to... Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DST's may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve providing some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

B. The logging program will consist of a DIL-GR from T.D. to base of surface casing with a GR to the surface. A CNL-FDC-GR and FMI will be run from T.D. to 2,000' (minimum run). A DSI-GR will be run from T.D. to base of surface casing.

C. Cores may be run in from 2,000 to T.D.

D. The anticipated completion program is as follows:

After evaluation, cores and logs the decision will be made whether to open hole complete or run a slotted liner from the base of the Intermediate Casing String to T.D.

10. **Abnormal Temperatures or Pressures:**

A. No abnormal temperatures or pressures are anticipated. No H₂S has been encountered in or known to exist from previous wells drilled to similar depths in the general area.

B. The maximum anticipated bottom hole pressure will be approximately 900 psi at T.D.

11. **Anticipated Starting:**

A. Drilling will commence upon approval of this application.

RECEIVED

MAY 06 2004

WATER RIGHT
VERNAL

TEMPORARY APPLICATION TO APPROPRIATE WATER

Rec. by ABM

Fee Paid \$ 250

Reason Other

STATE OF UTAH

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Title 73, Chapter 3, Utah Code Annotated 1953, as amended.

WATER RIGHT NUMBER: 49 - 2179

(DLS)

TEMPORARY APPLICATION NUMBER: T75376

1. OWNERSHIP INFORMATION:

LAND OWNED? No

A. NAME: Dalbo Inc.
ADDRESS: P. O. Box 1168
Vernal UT 84078

B. PRIORITY DATE: May 6, 2004

FILING DATE: May 6, 2004

2. SOURCE INFORMATION:

A. QUANTITY OF WATER: 10.0 acre-feet

B. SOURCE: Evacuation Wash and White River

COUNTY: Uintah

C. POINTS OF DIVERSION SURFACE:

(1) N 400 feet W 1,850 feet from E₁ corner, Section 02, T 10S, R 24E, SLBM

DIVERT WORKS: Pump into tank trucks

SOURCE: White River

(2) N 1,700 feet W 10 feet from SE corner, Section 02, T 12S, R 25E, SLBM

DIVERT WORKS: Pump into tank trucks

SOURCE: Evacuation Wash

D. COMMON DESCRIPTION: 3 miles south of Bonanza

3. WATER USE INFORMATION:

OIL EXPLORATION: from May 15 to May 1 Drilling and completion of oil/gas wells in South Bonanza area.

Period of Use - May 14, 2004 to May 14, 2005.

4. PLACE OF USE: (which includes all or part of the following legal subdivisions:)

BASE TOWN	RANG	SEC	NORTH-WEST 1/4				NORTH-EAST 1/4				SOUTH-WEST 1/4				SOUTH-EAST 1/4			
			NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE
6S	2S	104W	12															X
6S	3S	104W	01						X									
			11					X										
SL	9S	23E	Entire TOWNSHIP															

Temporary Appropriation

FEDERAL ATCHEE CANYON # 35-12-25

SIGNATURE OF APPLICANT(S):

The applicant(s) hereby acknowledge(s) that he/she/they are citizen(s) of the United States of America or intend(s) to become such a citizen(s). The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purposes herein described. The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of information contained herein, at the time of filing, rests with the applicant(s).

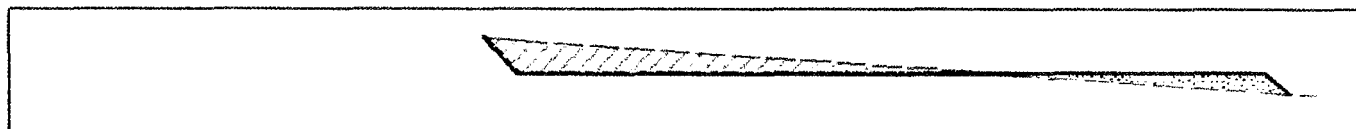
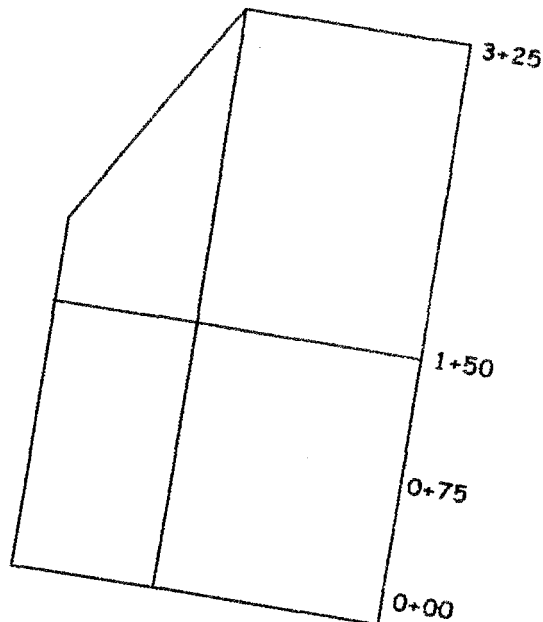


Signature of Applicant(s)

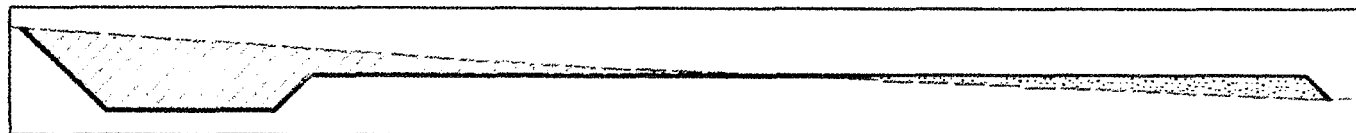
CDX GAS, LLC
 WELL LOCATION
 ATCHEE CANYON 25-12-25 #4
 1150' FNL 2283' FWL
 SECTION 25, T12S, R25E, S.L.B.&M.
 UTAH COUNTY, UTAH

CROSS SECTIONS

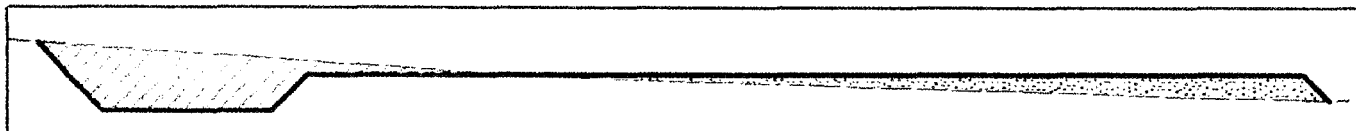
WELL BORE
 UNGRADED = 6025.7
 FINISH PAD GRADE = 6025.7



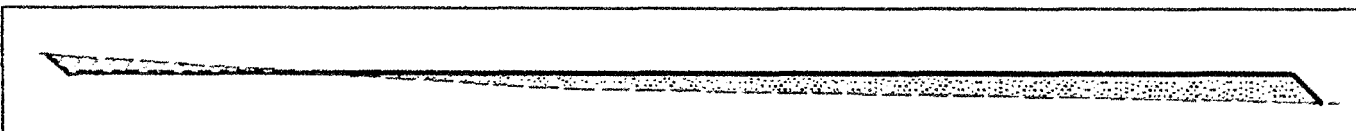
3+25



1+50



0+75



0+00

EXCLUDING PIT EXCAVATION

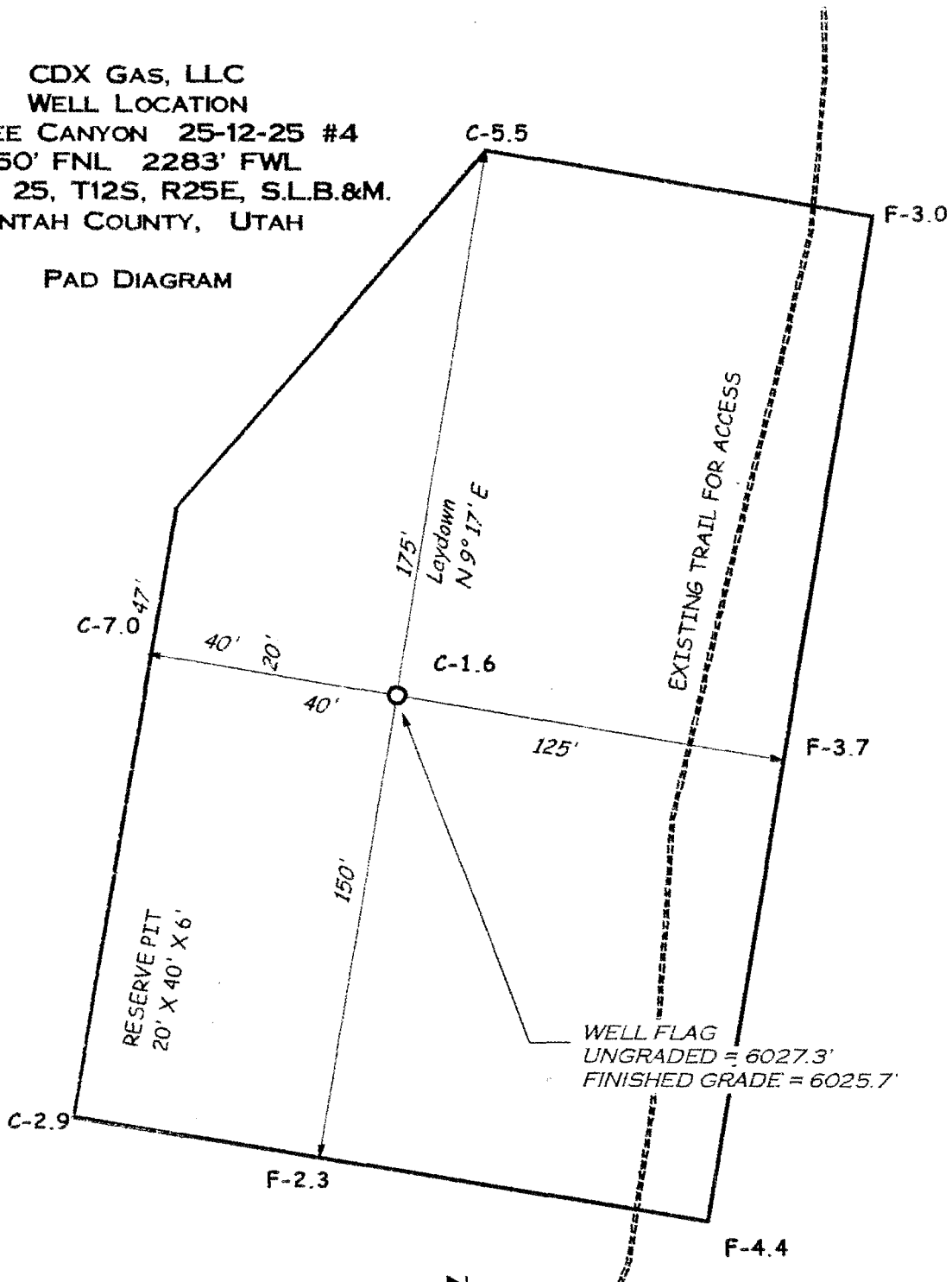
TOTAL CUT = 2346 CU. YDS.
 TOTAL CUT = 2650 CU. YDS.

CROSS SECTIONS
 1" = 30'

JMAS JOHNSON MAPPING AND SURVEYING	
PO BOX 2174 FARMINGTON NM 87499-2174	
505-127-1345 jmas@johnsonmapping.biz	
PROJECT	CDX GAS W1
ARC MAP	CDX GAS W1 SUMM
PREPARED	DAV 07/3/14
REVIEWED	
DATA FILES	ATCHEERAW.CO. 12R1621.DAT, 12281811.DAT

CDX GAS, LLC
WELL LOCATION
ATCHEE CANYON 25-12-25 #4
1150' FNL 2283' FWL
SECTION 25, T12S, R25E, S.L.B.&M.
UINTAH COUNTY, UTAH

PAD DIAGRAM



JMAS JOHNSON MAPPING AND SURVEYING PO BOX 2174 FARMINGTON NM 87401-2174	
505-227-3446 jmas@johnsonmapping.com	
PROJECT	CDX GAS 01
APC MAP	CDX GAS 01 PAD VMD
PREPARED	DAU 5/14/14
REVSER	
DATA FILES	ATCHEEAWDC 2506101.DAT 2506101.DAT

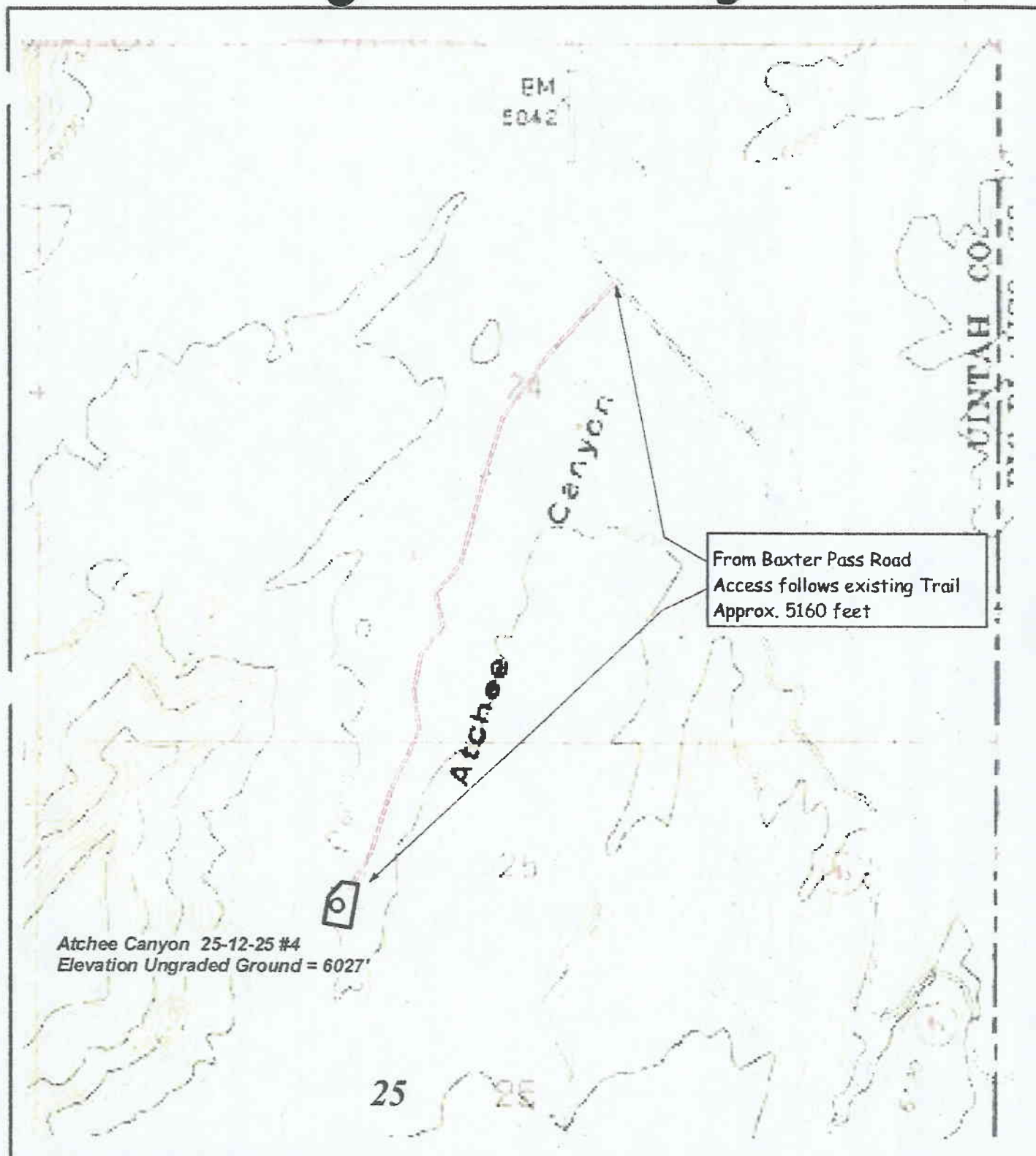
BASIS OF BEARING

ASTRONOMIC OBSERVATION TAKEN
AT MONUMENT FOUND FOR M.P. 190

BASIS OF ELEVATION

NAVD 83 AS PREDICTED BY GRID 99

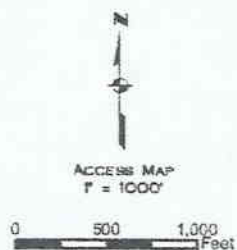
1 inch equals 50 feet
50 25 0 50 Feet



JMAS JOHNSON MAPPING AND SURVEYING
PO BOX 2174
FARMINGTON NM 87499-2174

505-327-3446
jmas@johnsonmapping.biz

PROJECT	CDXGAS001
ARC MAP	CDXGAS001 SD.MXD
PREPARED	DAJ 6/12/04
REVISION	
DATA FILES	ATCHEERAW.DC 32981601.DAT, 32981611.DAT



CDX GAS, LLC
WELL LOCATION
ATCHEE CANYON 25-12-25 #4
1150' FNL 2283' FWL
SECTION 25, T12S, R25E, S.L.B.&M.
UNTARH COUNTY, UTAH

From Baxter Pass Road
Access follows existing Trail
Approx. 5160 feet

Atchee Canyon 25-12-25 #4
Elevation Ungraded Ground = 6027' 25

JMAS

JOHNSON MAPPING AND SURVEYING
PO BOX 2174
FARMINGTON NM 87499-2174

505-327-3446
jmas@johnsonmapping.biz

PROJ ID	CDXGAS001
ARC MAP	CDXGAS001 3D.MXD
PREPARED	DAJ 5/13/04
REVISED	
DATA FILES	ATCHEEPAW.DC, 32981601.DAT, 32981611.DAT

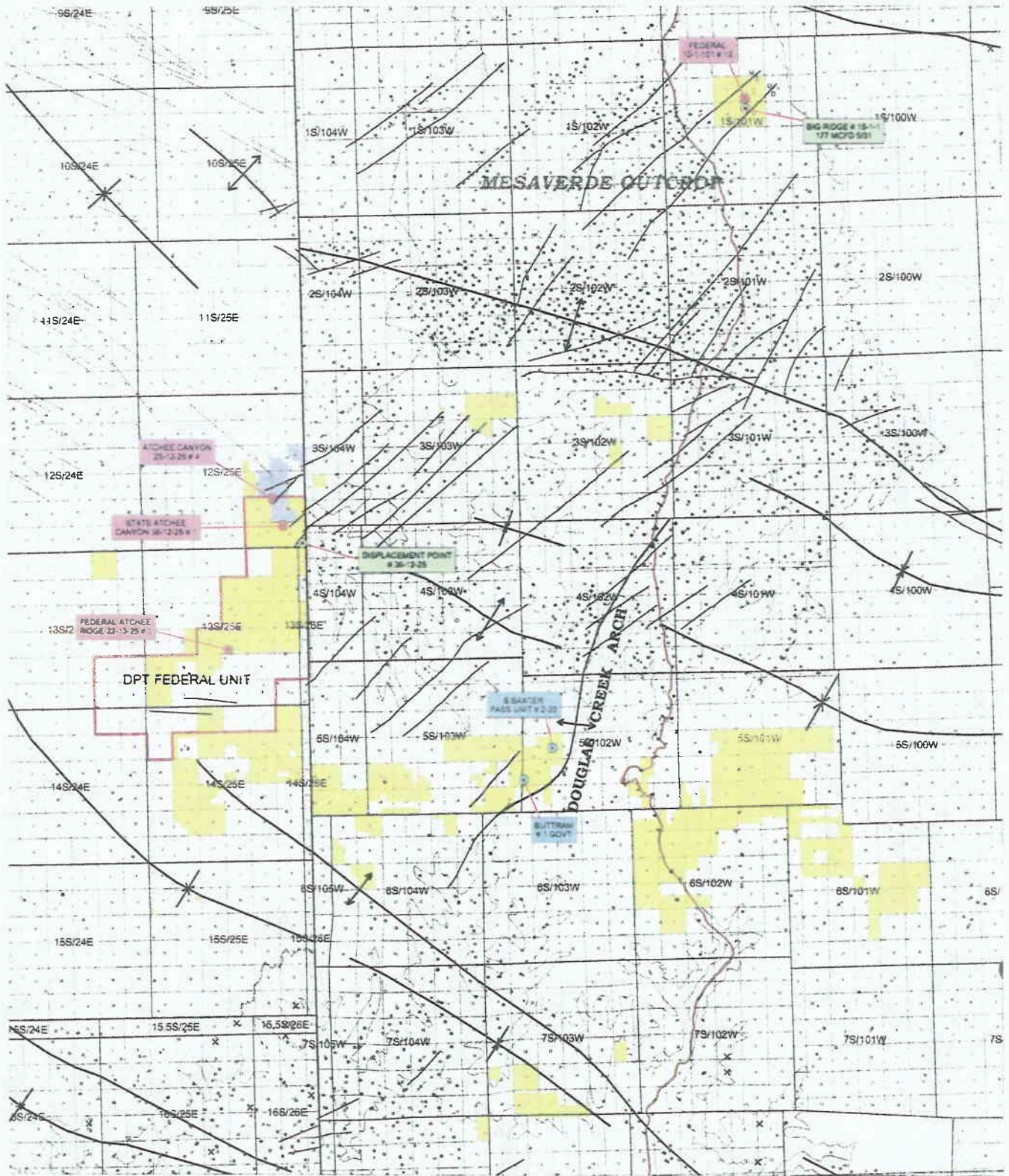
ACCESS MAP
T = 2000'

0 1,000 2,000 4,000 Feet



CDX GAS, LLC
WELL LOCATION
ATCHEE CANYON 25-12-25 #4
1150' FNL 2283' FWL
SECTION 25, T12S, R25E, S.L.B.&M.
UINTAH COUNTY, UTAH

2004 RECOMPLETIONS AND NEW DRILLS UINTAH AND PICEANCE BASIN, WESTERN OPERATIONS



CDX GAS 5/20/04 UNCO ACQUIRED LEASEHOLD

DISPLACEMENT POINT FEDERAL UNIT

GILSONITE VEINS



PEK, 6/2/2004

CDX GAS LLC LEASEHOLD

WELLS OF INTEREST

CDX GAS 2004 ACTIVITY WELLS

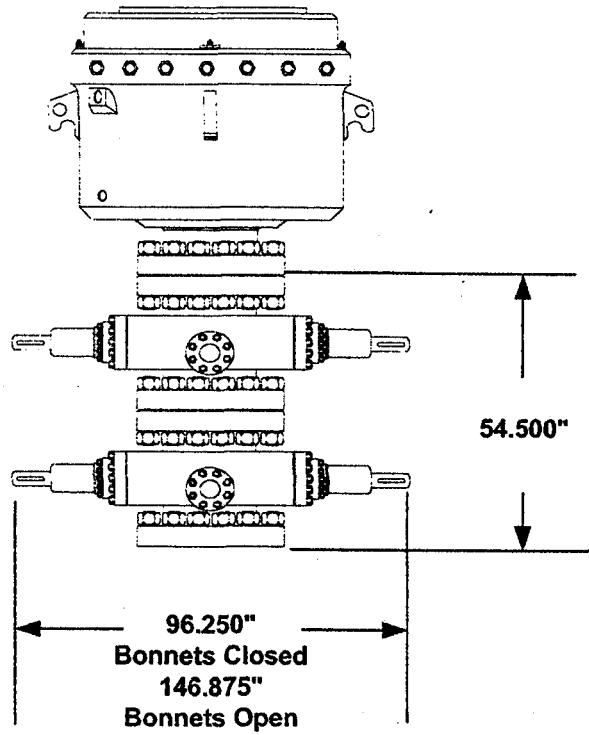
STATUS
● RECOMPLETIONS
● NEW DRILLS

COAL MINES

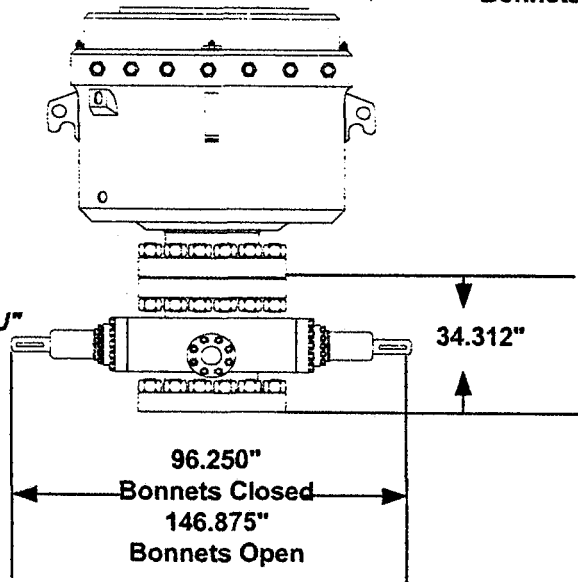
FAULTS



**11" 5000# R-54
Cameron Type "U"
Double
W/Pipe Rams**



**11" 5000# R-54
Cameron Type "U"
Single
W/VBR's**



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 07/06/2004

API NO. ASSIGNED: 43-047-35830

WELL NAME: ATCHEE CYN 25-12-25 #4

OPERATOR: CDX GAS, LLC (N2555)

CONTACT: AL ARLIAN

PHONE NUMBER: 303-298-8211

PROPOSED LOCATION:

NENW 25 120S 250E

SURFACE: 1150 FNL 2283 FWL

BOTTOM: 1150 FNL 2283 FWL

UINTAH

WILDCAT (1)

LEASE TYPE: 4 - Fee

LEASE NUMBER: FEE

SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: MRSN

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DKD	8/13/04
Geology		
Surface		

LATITUDE: 39.74996

LONGITUDE: 109.06782

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[] Sta[] Fee[4]
(No. B00903) *EL 8/23/04*
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. T75376)
☒ RDCC Review (Y/N)
(Date: _____)
☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit DISPLACEMENT POINT

___ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells☒ R649-3-3. Exception

___ Drilling Unit

Board Cause No: _____

Eff Date: _____

Siting: _____

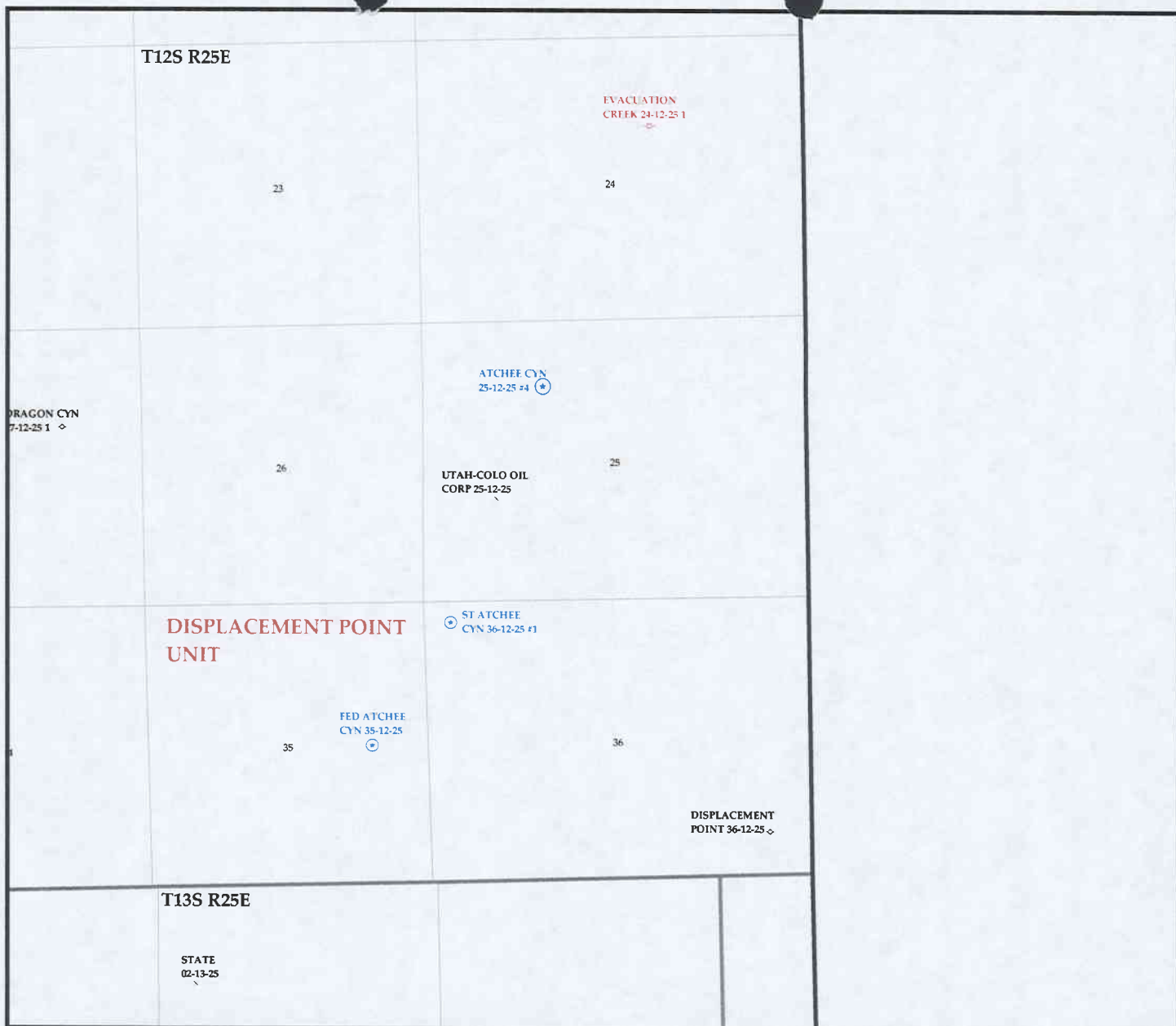
___ R649-3-11. Directional Drill

COMMENTS:

Alvar P. (07-29-04)

STIPULATIONS:

1- Spacing Slip2- STATEMENT OF BASIS



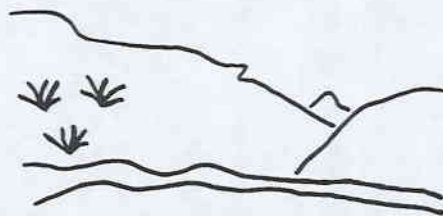
OPERATOR: CDX ROCKIES LLC (N1860)

SEC. 25 T.12S R.25E

FIELD: WILDCAT (001)

COUNTY: UINTAH

SPACING: R649-3-3 / EXCEPTION LOCATION



Utah Oil Gas and Mining

Wells

- ✱ GAS INJECTION
- ◇ GAS STORAGE
- ✕ LOCATION ABANDONED
- ⊙ NEW LOCATION
- ◇ PLUGGED & ABANDONED
- ✱ PRODUCING GAS
- PRODUCING OIL
- ✱ SHUT-IN GAS
- SHUT-IN OIL
- ✕ TEMP. ABANDONED
- ◇ TEST WELL
- △ WATER INJECTION
- WATER SUPPLY
- ✱ WATER DISPOSAL

Units.shp

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields.shp

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



PREPARED BY: DIANA WHITNEY
DATE: 7-JULY-2004

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160

(UT-922)

July 8, 2004

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2004 Plan of Development Displacement Point
Unit, Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following well is planned for calendar year 2004 within the Displacement Point Unit, Uintah County, Utah.

API#	WELL NAME	LOCATION
------	-----------	----------

(Proposed PZ Morrison)

43-047-35830 Atchee Canyon 25-12-25 #4 Sec 25 T12S R25E 1150 FNL 2283 FWL

This office has no objection to permitting the well at this time, however, it will not serve as a unit obligation well.



CDX Gas, LLC – CDX Rockies, LLC
1801 Broadway, Suite 1060
Denver, Colorado 80202
Tel: 303-298-8211
Fax: 303-299-1134

July 9, 2004

Diana Whitney
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

RE: **State of Utah Surety Bond No. B00903**
CDX Gas, LLC and CDX Rockies, LLC

Dear Ms. Whitney,

Enclosed please find a copy of State of Utah Surety Bond No. B000903 covering CDX Gas, LLC and CDX Rockies, LLC as Principal.

Should you have any questions concerning these matters, please do not hesitate to call me at (303) 298-8211 x2884.

Very truly yours,

CDX Gas, LLC
CDX Rockies, LLC

A handwritten signature in cursive script that reads "Laurie Hardy".

Laurie Hardy
Land Administrator

cc: State of Utah
Trust Lands Administration

Bond No. B000203

**Important Notice Regarding
Terrorism Risk Insurance Act of 2002**

In accordance with the Terrorism Risk Insurance Act of 2002 (the "Act"), this disclosure notice is provided for surety bonds on which U.S. Specialty Insurance Company is the issuing surety.

The premium attributable to any bond coverage for "acts of terrorism" as defined in Section 102(1) of the Act is Zero Dollars (\$0.00).

The United States will reimburse the Issuing Sureties for ninety percent (90%) of any covered losses from terrorist acts certified under the Act exceeding the applicable surety deductible.

The actual coverage provided by your bond for acts of terrorism, as is true for all coverages, is limited by the terms, conditions, exclusions, penalties, limits, other provisions of your bond and the underlying contract, any endorsements to the bond and generally applicable rules of law. This Important Notice Regarding Terrorism Insurance Risk Act of 2002 is for informational purposes only and does not create coverage nor become a part or condition of the attached document.

The rest of this page is intentionally left blank.

POWER OF ATTORNEY

(To be used with bonds issued on behalf of U. S. SPECIALTY INSURANCE COMPANY)

Know All Men by These Presents That, U. S. SPECIALTY INSURANCE COMPANY (the "Company"), a corporation duly organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by these presents make, constitute and appoint

Edwin H. Frank III, W. Russell Brown, Jr.

its true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include riders, amendments, and consents of surety, providing the bond penalty does not exceed Three Million Dollars (\$3,000,000) and to bind the Company thereby as fully and to the same extent as if such bonds were signed by the President, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming that the said Attorney-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors of the U. S. Specialty Insurance Company:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and of behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and attested by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached. (Adopted by unanimous written consent in lieu of meeting on July 7, 2003.)

In Witness Whereof, U. S. SPECIALTY INSURANCE COMPANY has caused these presents to be signed by its President, and its corporate seal to be hereto affixed this 6th day of April, 2004.

Corporate Seal

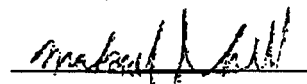
U. S. SPECIALTY INSURANCE COMPANY

By

State of Texas

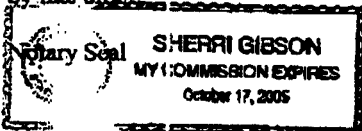
County of Harris


ss:



Michael J. Schell, President

On this 6th day of April, 2004 before me personally came Michael J. Schell, to me known, who, being by me duly sworn, did depose and say, that he resides in Houston, Texas, that he is President of U. S. SPECIALTY INSURANCE COMPANY, the company described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto by like order.




 , Notary Public
My commission expires 10-17-05

I, Christopher L. Martin, Secretary of U. S. SPECIALTY INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

In Witness Whereof, I have hereto set my hand and affixed the seal of said Company at Houston, Texas this 1st day of June, 2004.

Corporate Seal


Christopher L. Martin, Secretary

Bond No. B000903

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 4A

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS:

That we (operator name) CDX Gas, LLC and CDX Rockies, LLC as Principal,
and

(surety name) U.S. Specialty Insurance Company as Surety, duly authorized
and qualified to do business in the State of Utah, are held and firmly bound unto the State of Utah in the sum of:

One Hundred and Twenty Thousand and no/100 dollars (\$ \$120,000.00)
lawful money of the United States, payable to the Director of the Division of Oil, Gas and Mining, as agent of the State of Utah, for the use and
benefit of the State of Utah for the faithful payment of which we bind ourselves, our heirs, executors, administrators and successors, jointly and
severally by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, WHEREAS the Principal is or will be engaged in the drilling, redrilling, deepening,
repairing, operating, and plugging and abandonment of a well or wells and restoring the well site or sites in the State of Utah for the purposes of
oil or gas production and/or the injection and disposal of fluids in connection therewith for the following described land or well:

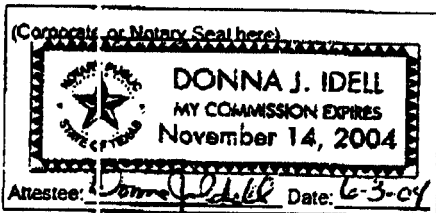
☒ Blanket Bond: To cover all wells drilled in the State of Utah

☐ Individual Bond: Well No: _____
Section: _____ Township: _____ Range: _____
County: _____ Utah

NOW, THEREFORE, if the above bounden Principal shall comply with all the provisions of the laws of the State of Utah and the rules, orders and
requirements of the Board of Oil, Gas and Mining of the State of Utah, including, but not limited to the proper plugging and abandonment of wells
and well site restoration, then this obligation is void; otherwise, the same shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, said Principal has hereunto subscribed its name and has caused this instrument to be signed by its duly authorized
officers and its corporate or notary seal to be affixed this

1 day of June, 20 04



CDX Gas, LLC

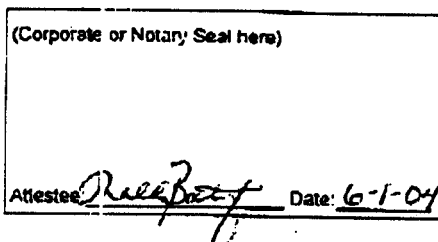
Principal (company name)

By STEPHEN M CLARK VICE PRESIDENT
Name (print) Title

[Signature]
Signature

IN TESTIMONY WHEREOF, said Surety has caused this instrument to be signed by its duly authorized officers and its corporate or notary seal
to be affixed this

1 day of June, 20 04



U.S. Specialty Insurance Company

Surety Company (Attach Power of Attorney)

By W. Russell Brown, Jr. Attorney-in-Fact
Name (print) Title

[Signature]
Signature

13403 Northwest Freeway

Surety Mailing Address

Houston

Texas

77040

City

State

Zip

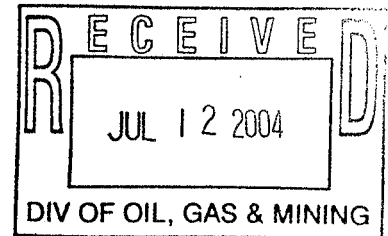


MONTGOMERY
ARCHAEOLOGICAL
CONSULTANTS

Box 147, 322 East 100 South, Moab, Utah 84532 (435) 259-5764 Fax (435) 259-5608

June 28, 2004

Al Arlian
CDX Gas, LLC
1801 Broadway, Suite 1060
Denver, CO 80202



Dear Mr. Arlian:

Enclosed please find copies of the reports entitled "Cultural Resource Inventory of CDX Gas's Proposed Well Location: Atchee Canyon #25-12-25-4, Uintah County, Utah." and "Cultural Resource Inventory of CDX Gas's Proposed Well Location: State Atchee Canyon #36-12-25-1, Uintah County, Utah." Four copies are for your records and the last copy of the report on state well #36-12-25-1 is to be forwarded to the Division of Oil, Gas and Mining per SITLA. Both inventories resulted in no findings of cultural resources; hence, archaeological clearance is recommended for this undertaking.

One billing is included for both of these reports. We appreciate the opportunity to provide consulting services for this project. If you have any questions or comments, please contact me.

Sincerely,

Keith R. Montgomery
Principle Investigator

cc: James Dykmann, SHPO
Kenny Wintch, SITLA Archaeologist, SLC

CULTURAL RESOURCE INVENTORY OF
CDX ROCKIES' PROPOSED WELL LOCATION:
STATE ATCHEE CANYON #36-12-25-1 (LEASE NO. 46453),
UINTAH COUNTY, UTAH

Keith R. Montgomery
and
Andy Wakefield

CULTURAL RESOURCE INVENTORY OF
CDX ROCKIES' PROPOSED WELL LOCATION:
STATE ATCHEE CANYON #36-12-25-1 (LEASE NO. 46453),
UINTAH COUNTY, UTAH

By:

Keith R. Montgomery
and
Andy Wakefield

Prepared For:
State of Utah
Trust Lands Administration
Salt Lake City

Prepared Under Contract With:
CDX Gas, LLD
1801 Broadway, Suite 1060
Denver, CO 80202

Prepared By:

Montgomery Archaeological Consultants
P.O. Box 147
Moab, Utah 84532

June 28, 2004

MOAC Report #04-149

United States Department of Interior (FLPMA)
Permit No. 04-UT-60122

State of Utah Antiquities Project (Survey)
Permit No. U-04-MQ-0511s,p

INTRODUCTION

A cultural resource inventory was conducted by Montgomery Archaeological Consultants (MOAC) in June, 2004 for CDX Rockies' proposed well location State Atchee Canyon #36-12-25-1 and its associated access route in the Atchee Canyon area, south of Vernal, Uintah County, Utah. The legal description of the inventory area is Township 12 South, Range 25 East, Sections 25 and 36 (Figure 1). The project occurs on land administered by the State of Utah School Institutional Trust Lands Administration (SITLA) and private land.

The objective of the inventory was to locate, document, and evaluate any cultural resources within the project area in order to comply with Section 106 of 36 CFR 800, the National Historic Preservation Act of 1966 (as amended), the National Environmental and Policy Act of 1969, the Archaeological and Historic Conservation Act of 1972, the Archaeological Resources Protection Act of 1979, the American Indian Religious Freedom Act of 1978, and the Utah State Antiquities Act of 1973 (amended 1990).

The fieldwork was performed on June 9, 2004 by Keith R. Montgomery (Principal Investigator, MOAC) and Jacki Montgomery under the auspices of U.S.D.I. (FLPMA) Permit No. 04-UT-60122 and State of Utah Antiquities Project (Survey) No. U-04-MQ-0511s,p.

A file search for previous archaeological projects and documented cultural resources was completed by Marty Thomas at the Utah Division of State History Preservation Office on June 7, 2004. This consultation indicated that two cultural resource inventories have been completed in the project area. Grand River Institute conducted an inventory in 1995 for Amoco Production's single well location and access: State Line #52-36-12-25 (Conner 1995). A total of 28.6 acres was surveyed (11.0 acres in Utah) and no isolated finds or artifacts were documented in the Utah portion of the project area, although two isolated finds were documented on BLM managed land in the state of Colorado. These consisted of a single core reduction area consisting of 5 Shavetail chert flakes (5RB3755) and a concentration of 5 flakes, one of which is utilized (5RB3756). Also, Montgomery Archaeological Consultants conducted a cultural resource inventory for CDX Rockies' three well locations: Atchee Canyon #35-12-25, Atchee Ridge #21-13-25, and Atchee Ridge #22-13-25 (Montgomery 2001). A total of 50.3 acres was inventoried on BLM administered, which resulted in the finding of no cultural resources.

DESCRIPTION OF PROJECT AREA

The proposed project area is located approximately 50 miles southeast of the town of Vernal, Uintah County, Utah. Specifically, the proposed well locations and access routes lie in Atchee Canyon. Proposed State Atchee Canyon well #36-12-25-1 is situated in the northwest quarter of Section 36, Township 12 South, Range 25 East. Approximately 20.9 acres were inventoried: 10.7 acres occur on state land, and 10.2 acres occur on private land.

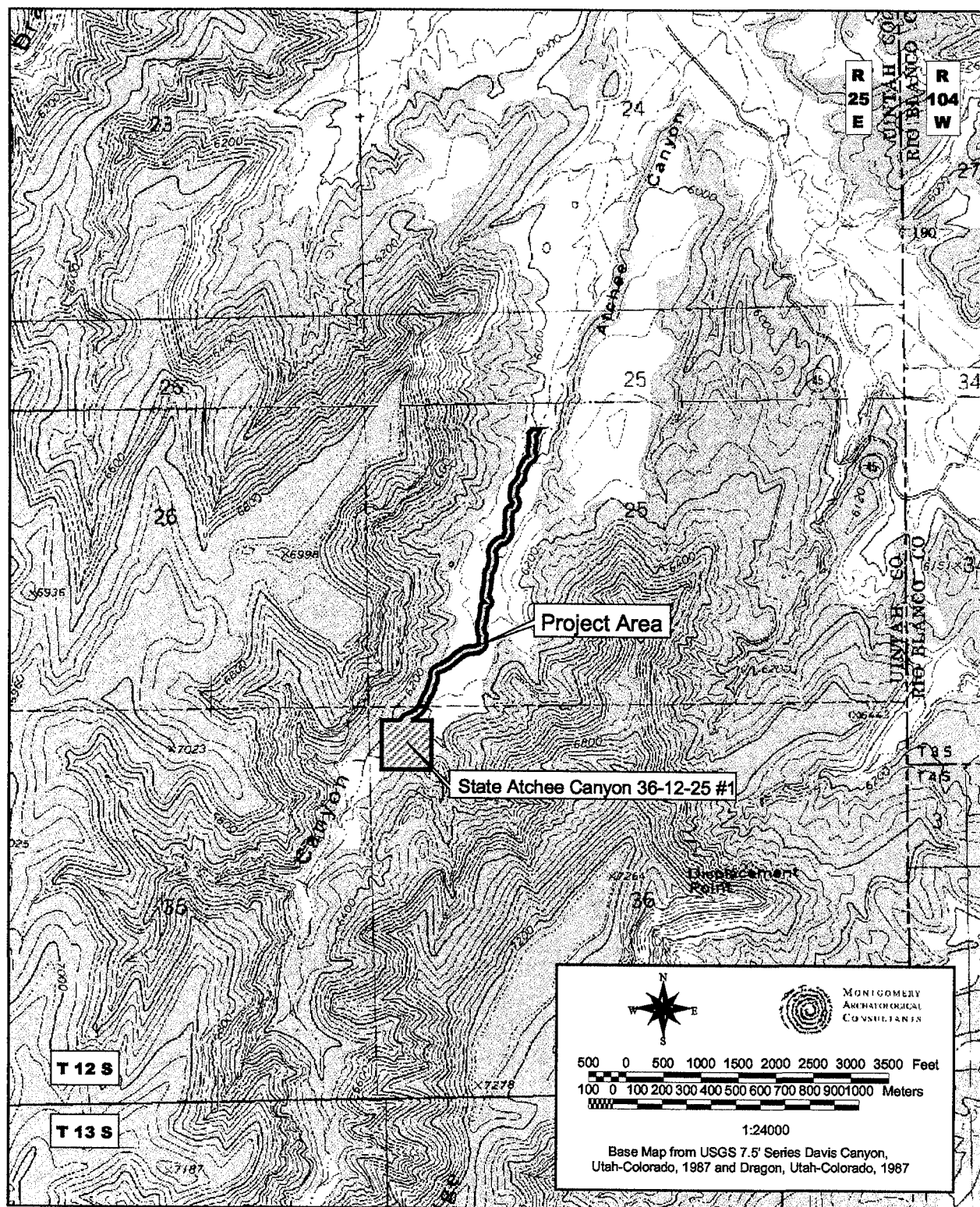


Figure 1. Inventory Area of CDX Rockies' State Atchee Canyon #36-12-25-1 well locations and access routes. USGS 7.5' Davis Canyon, Utah-Colo., 1987. Scale 1:24000.

The study area lies within the Uinta Basin physiographic unit, a distinctly bowl-shaped geologic structure (Stokes 1986:231). The Uinta Basin ecosystem is within the Green River drainage, considered to be the northernmost extension of the Colorado Plateau. Topographically, this area consists of broad erosional benches and bluffs of sandstone and mudstone formations, highly dissected by numerous intermittent drainages. The geology is comprised of Tertiary age deposits which include the Green River and Uinta Formations. The Green River Formation contains claystone, sandstone, and carbonate beds. In the western portion of the Uinta Basin, the Uinta Formation consists of sandstone, shale, siltstone, conglomerate, and minor amounts of limestone. In the eastern portion, this formation contains higher amounts of limy siltstone (Ibid:155). Proposed well location State Atchee Canyon #36-12-25-1 occurs along a wash bottom of Atchee Canyon, at an elevation ranging between 5860 and 6200 feet. Vegetation consists of greasewood and sagebrush in the wash bottom, and along the benches is a pinyon-juniper woodland with snakeweed, prickly pear cactus, and grasses present. The entire inventory area for these well locations has been disturbed by extensive colluvial erosion. Modern disturbances include a two-track road, grazing, and wood-cutting.

SURVEY METHODOLOGY

An intensive pedestrian survey was performed for this project which is considered 100% coverage. At the well location, a 10 acre square was defined, centered on the well pad center stake. The interior of the well locations were inspected by the archaeologist walking parallel transects spaced no more than 10 m (30 ft) apart. The proposed access route corridors were surveyed to a 100 ft (30 m) width by the archaeologists walking parallel transects along the staked centerline, spaced no more than 10 m apart. Ground visibility was considered to be good. Approximately 20.9 acres were inventoried: 10.7 acres occur on state land, and 10.2 acres occur on private land.

INVENTORY RESULTS AND RECOMMENDATIONS

The inventory of CDX Rockies' proposed State Atchee Canyon #36-12-25-1 well and its associated access route in Atchee Canyon resulted in the finding of no cultural resources. The potential for subsurface cultural materials is minimal. Based on the finding, archaeological clearance is recommended for this undertaking.

REFERENCES CITED

Conner, C.

1995

Cultural Resource Inventory Report on the Proposed State Line #52-36-12-25 Well Location and Related Access in Uintah County, Utah, and Rio Blanco County, Colorado for AMOCO Production Company, GRI Project No. 9540. Grand River Institute, Grand Junction, CO. U-94-GB-259s. Report on file at the Utah Division of State History Preservation Office.

Montgomery, K.R.

2001

Cultural Resource Inventory of CDX Rockies' Proposed Well Locations: Atchee Canyon #35-12-25, Atchee Ridge #21-13-25, and Atchee Ridge #22-13-25, Uintah County, Utah. Montgomery Archaeological Consultants, Moab, UT. U-01-MQ-0560b. Report on file at the Bureau of Land Management Vernal Field Office.

Stokes, W. L.

1986

Geology of Utah. Utah Museum of Natural History and Utah Geological and Mineral Survey, Salt Lake City.

INTRODUCTION

A cultural resource inventory was conducted by Montgomery Archaeological Consultants (MOAC) in June, 2004 for CDX Rockies' proposed well location State Atchee Canyon #36-12-25-1 and its associated access route in the Atchee Canyon area, south of Vernal, Uintah County, Utah. The legal description of the inventory area is Township 12 South, Range 25 East, Sections 25 and 36 (Figure 1). The project occurs on land administered by the State of Utah School Institutional Trust Lands Administration (SITLA) and private land.

The objective of the inventory was to locate, document, and evaluate any cultural resources within the project area in order to comply with Section 106 of 36 CFR 800, the National Historic Preservation Act of 1966 (as amended), the National Environmental and Policy Act of 1969, the Archaeological and Historic Conservation Act of 1972, the Archaeological Resources Protection Act of 1979, the American Indian Religious Freedom Act of 1978, and the Utah State Antiquities Act of 1973 (amended 1990).

The fieldwork was performed on June 9, 2004 by Keith R. Montgomery (Principal Investigator, MOAC) and Jacki Montgomery under the auspices of U.S.D.I. (FLPMA) Permit No. 04-UT-60122 and State of Utah Antiquities Project (Survey) No. U-04-MQ-0511s,p.

A file search for previous archaeological projects and documented cultural resources was completed by Marty Thomas at the Utah Division of State History Preservation Office on June 7, 2004. This consultation indicated that two cultural resource inventories have been completed in the project area. Grand River Institute conducted an inventory in 1995 for Amoco Production's single well location and access: State Line #52-36-12-25 (Conner 1995). A total of 28.6 acres was surveyed (11.0 acres in Utah) and no isolated finds or artifacts were documented in the Utah portion of the project area, although two isolated finds were documented on BLM managed land in the state of Colorado. These consisted of a single core reduction area consisting of 5 Shavetail chert flakes (5RB3755) and a concentration of 5 flakes, one of which is utilized (5RB3756). Also, Montgomery Archaeological Consultants conducted a cultural resource inventory for CDX Rockies' three well locations: Atchee Canyon #35-12-25, Atchee Ridge #21-13-25, and Atchee Ridge #22-13-25 (Montgomery 2001). A total of 50.3 acres was inventoried on BLM administered, which resulted in the finding of no cultural resources.

DESCRIPTION OF PROJECT AREA

The proposed project area is located approximately 50 miles southeast of the town of Vernal, Uintah County, Utah. Specifically, the proposed well locations and access routes lie in Atchee Canyon. Proposed State Atchee Canyon well #36-12-25-1 is situated in the northwest quarter of Section 36, Township 12 South, Range 25 East. Approximately 20.9 acres were inventoried: 10.7 acres occur on state land, and 10.2 acres occur on private land.

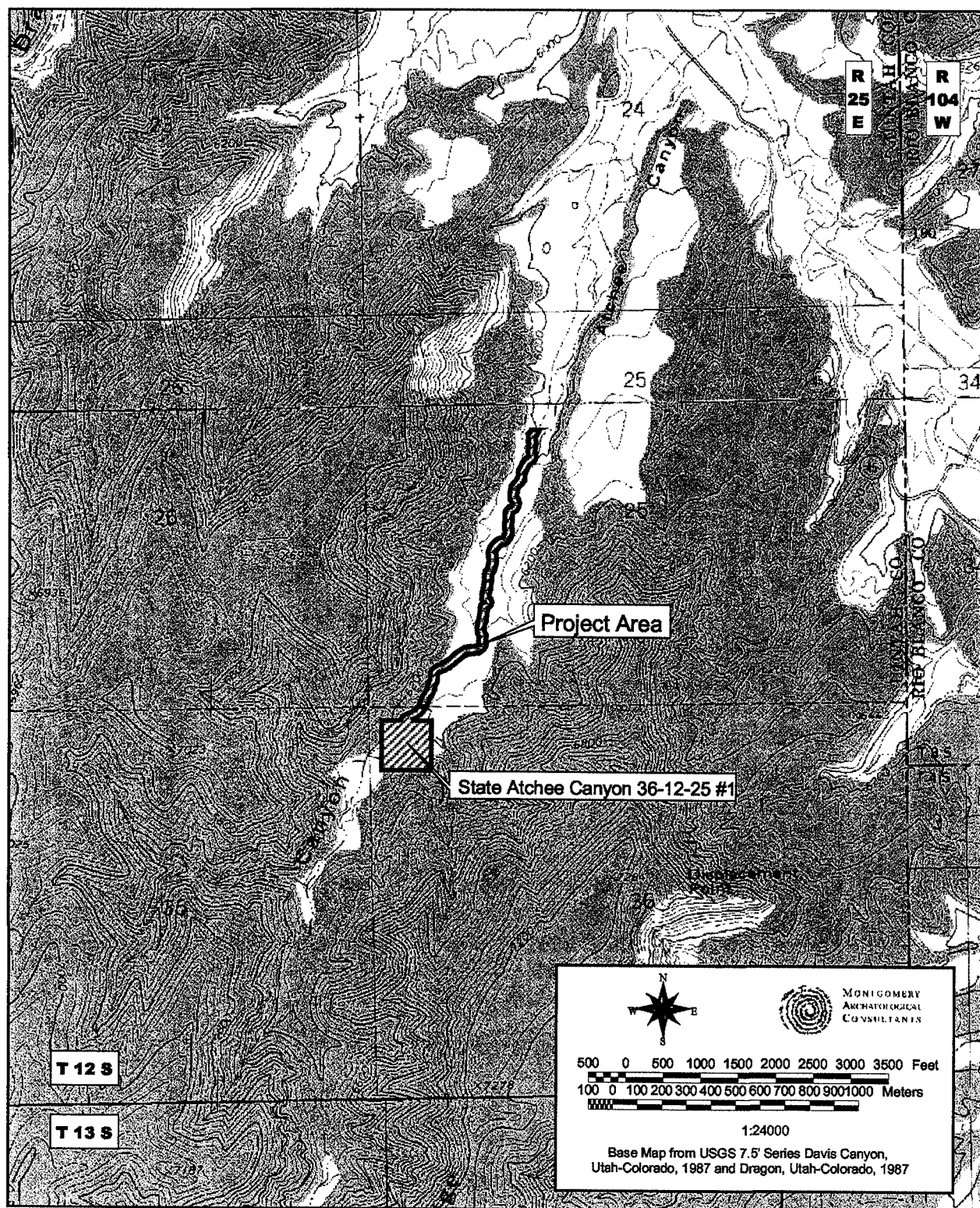


Figure 1. Inventory Area of CDX Rockies' State Atchee Canyon #36-12-25-1 well locations and access routes. USGS 7.5' Davis Canyon, Utah-Colo., 1987. Scale 1:24000.

The study area lies within the Uinta Basin physiographic unit, a distinctly bowl-shaped geologic structure (Stokes 1986:231). The Uinta Basin ecosystem is within the Green River drainage, considered to be the northernmost extension of the Colorado Plateau. Topographically, this area consists of broad erosional benches and bluffs of sandstone and mudstone formations, highly dissected by numerous intermittent drainages. The geology is comprised of Tertiary age deposits which include the Green River and Uinta Formations. The Green River Formation contains claystone, sandstone, and carbonate beds. In the western portion of the Uinta Basin, the Uinta Formation consists of sandstone, shale, siltstone, conglomerate, and minor amounts of limestone. In the eastern portion, this formation contains higher amounts of limy siltstone (Ibid:155). Proposed well location State Atchee Canyon #36-12-25-1 occurs along a wash bottom of Atchee Canyon, at an elevation ranging between 5860 and 6200 feet. Vegetation consists of greasewood and sagebrush in the wash bottom, and along the benches is a pinyon-juniper woodland with snakeweed, prickly pear cactus, and grasses present. The entire inventory area for these well locations has been disturbed by extensive colluvial erosion. Modern disturbances include a two-track road, grazing, and wood-cutting.

SURVEY METHODOLOGY

An intensive pedestrian survey was performed for this project which is considered 100% coverage. At the well location, a 10 acre square was defined, centered on the well pad center stake. The interior of the well locations were inspected by the archaeologist walking parallel transects spaced no more than 10 m (30 ft) apart. The proposed access route corridors were surveyed to a 100 ft (30 m) width by the archaeologists walking parallel transects along the staked centerline, spaced no more than 10 m apart. Ground visibility was considered to be good. Approximately 20.9 acres were inventoried: 10.7 acres occur on state land, and 10.2 acres occur on private land.

INVENTORY RESULTS AND RECOMMENDATIONS

The inventory of CDX Rockies' proposed State Atchee Canyon #36-12-25-1 well and its associated access route in Atchee Canyon resulted in the finding of no cultural resources. The potential for subsurface cultural materials is minimal. Based on the finding, archaeological clearance is recommended for this undertaking.

REFERENCES CITED

Conner, C.

1995 Cultural Resource Inventory Report on the Proposed State Line #52-36-12-25 Well Location and Related Access in Uintah County, Utah, and Rio Blanco County, Colorado for AMOCO Production Company, GRI Project No. 9540. Grand River Institute, Grand Junction, CO. U-94-GB-259s. Report on file at the Utah Division of State History Preservation Office.

Montgomery, K.R.

2001 Cultural Resource Inventory of CDX Rockies' Proposed Well Locations: Atchee Canyon #35-12-25, Atchee Ridge #21-13-25, and Atchee Ridge #22-13-25, Uintah County, Utah. Montgomery Archaeological Consultants, Moab, UT. U-01-MQ-0560b. Report on file at the Bureau of Land Management Vernal Field Office.

Stokes, W. L.

1986 *Geology of Utah*. Utah Museum of Natural History and Utah Geological and Mineral Survey, Salt Lake City.



CDX Gas, LLC – CDX Rockies, LLC
 1801 Broadway, Suite 1060
 Denver, Colorado 80202
 Tel: 303-298-8211
 Fax: 303-299-1134

July 9, 2004

Diana Whitney
 Utah Division of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 Salt Lake City, UT 84114-5801

RE: Exception Location – R649-3-3
Atchee Canyon Well 25-12-25 #4
 NE/4NW/4 Sec. 25-T12S-R25E, S.L.B.&M.
 1150' FNL, 2283' FWL
 Uintah County, Utah

Dear Ms. Whitney,

CDX Gas, LLC has staked the above-referenced well at an exception location:

1. Because a standard location would be located on or adjacent to the canyon walls and would cause major cuts/fills to build a well pad, and
2. To avoid drilling in the side canyon drainage areas which drain into the main canyon.

CDX Gas, LLC and CDX Rockies, LLC own all the leasehold interest in all direction within 800 feet of the above referenced well. All of the oil and gas mineral rights are leased.

CDX Gas, LLC and CDX Rockies, LLC hereby grant permission to the proposed well location.

Should you have any questions concerning these matters, please do not hesitate to call me at (303) 298-8211 x2884.

Very truly yours,

CDX Gas, LLC

Alvin R. (Al) Arlian
 Land Manager – Western Operations

cc: State of Utah
 Trust Lands Administration

RECEIVED
 JUL 14 2004

DIV. OF OIL, GAS & MINING



CDX Gas, LLC
CDX Rockies, LLC
1801 Broadway, Suite 1060
Denver, Colorado 80202
Tel: 303-298-8211
Fax: 303-298-1134

July 26, 2004

VIA UPS

Diana Whitney
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

RECEIVED
JUL 27 2004
DIV. OF OIL, GAS & MINING

RE: **CDX Rockies, LLC - State Atchee Canyon 36-12-25 #1 Well**
NW/4NW/4 Sec. 36-T12S-R25E, S.L.B.&M.
CDX Gas, LLC - Atchee Canyon 25-12-25 #4 Well
NE/4NW/4 Sec. 25-T12S-R25E, S.L.B.&M.
Uintah County, Utah

Dear Ms. Whitney,

Enclosed is a copy of a Road Access Agreement between Utah-Colorado Oil Corporation and CDX Gas, LLC and CDX Rockies, LLC to access the two above-referenced wells.

Also enclosed is a Surface Operations Agreement between Utah-Colorado Oil Corporation and CDX Gas, LLC for the Atchee Canyon 25-12-25 #4 Well

Thank you for your assistance in this matter.

Very truly yours,

CDX GAS, LLC
CDX ROCKIES, LLC

Alvin R. (Al) Arlian
Land Manager Western Operations

ara/

SURFACE OPERATIONS AGREEMENT

The undersigned, whose address is 3872 Village Rim road, Park City, Utah 84098 (hereinafter referred to as "Grantor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration paid by CDX GAS, LLC, whose address is 5485 Belt Line Road, Suite 190, Dallas, TX 75254 (hereinafter referred to as "Grantee"), the receipt, adequacy and sufficiency of which are hereby acknowledged, does hereby release and discharge Grantee, its successors and assigns, of and from any and all liability to Grantor for any and all claims which Grantor has previously or shall at any time hereinafter sustain, directly or indirectly, in any way by reason of any and all prior or future operations connected with the construction of a surface wellsite location and/or maintenance of the proposed well and all other related activities of every nature, except to the extent the same is attributable to the gross negligence or willful misconduct of the Operator.

It is agreed that this release relates only to damages on the specified location. Damages to surface outside this well pad location will be subject to additional damage assessment and payment to surface owner.

The well location is for the well described as follows:

WELL NAME: **Atchee Canyon 25-12-15 No. 4 Well**
LOCATION: **1,150' FNL & 2,283' FWL**
 of Section 25-T12S-R25E
 Uintah County, Utah

This agreement is subject to the terms of that certain Road Access Agreement dated July 15, 2004 between Utah-Oil Corporation and CDX Rockies, LLC and CDX Gas, LLC.

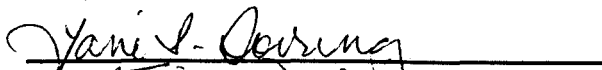
Grantee hereby agrees to indemnify and hold harmless Grantor for any and all claims, demands, causes of action and judgments brought by third parties for personal injury and/or property damages resulting from Grantee's operations on the lands.

CDX GAS, LLC

UTAH-COLORADO OIL CORPORATION



Alvin R. Arlian
Land Manager-Western Operations


By: Jani S. Daering
Title: President

ROAD ACCESS AGREEMENT

THIS AGREEMENT is made and entered into as of the 15th day of July, 2004, by and between **UTAH-COLORADO OIL CORPORATION**, hereinafter referred to as "**UT-CO**", and **CDX ROCKIES, LLC and CDX GAS, LLC**, hereinafter collectively referred to as ("**CDX**").

WITNESSETH:

WHEREAS, UT-CO is in the business of ranching and leasing land for hunting and is the owner of surface rights and various mineral rights on property in the area of Atchee Canyon, Uintah County, Utah;

WHEREAS, CDX is the lessee and/or successor in interest to certain other lessees of certain Federal, Fee, and State Trust Land Oil and Gas Lease(s) in the same area near Atchee Canyon where UT-CO ranches and hunts; and

WHEREAS, the parties desire to enter into an agreement to provide for numerous matters which will allow the parties each to conduct their business with minimal interference one with the other.

NOW, THEREFORE, in consideration of the premises and of the covenants herein contained, it is mutually agreed as follows:

1. **Drilling Well(s).** CDX has acquired ownership of Federal, Fee, and State Trust Land Oil and Gas Leases in Township 12 and 13 South, Range 25 East, Uintah County, Utah. CDX plans to drill well(s) commencing in the fall of 2004 that will be accessed crossing land owned by UT-CO
2. **UT-CO Fee Lands Area.** The area outlined on Exhibit "A" shall be an area which is subject to this Agreement, hereinafter the "UT-CO Land Area." The access road ("Access Road"), that CDX desires to upgrade and construct across UT-Land is described in Exhibit "A," starting at the approximate point marked "A", and crosses UT-CO Land Area exiting the UT-CO Land Area at the approximate point marked "B".
3. **Ingress and Egress.** Subject to the access rights and regulations of the Bureau of Land Management and Utah School & Institutional Trust Lands Administration, **IF ANY**, UT-CO hereby grants to CDX the right of ingress and

egress over and across the UT-CO Land Area using the present and existing road, a new road to be constructed in and using the canyon wash bottom, for the purpose of drilling the State Atchee Canyon 36-12-25 No. 1 Well and for, developing and producing oil and gas pursuant to other CDX's Leases.

4. **Limitation of Use.**

A. This right of ingress and egress is for surface transportation only and is not to be construed to give any right for a pipeline.

B. This right of ingress and egress is for access for oil and gas operations only.

5. **Payments. Annual Access Payments.** Commencing on the date of this agreement (the "Anniversary Date"), CDX shall pay the sum of Two Thousand Five Hundred and no/100ths (\$2,500.00) to UT-CO, as the first year annual access payment ("Access Payment") for CDX's oil and gas operations. Said Access Payment shall apply to a total of four drilled/drilling, producing, and/or shut-in wells, and/or temporary abandoned wells. Each additional drilled/drilling, producing well, and/or shut-in well, and/or temporary abandoned well in excess of four wells shall require an annual payment ("Additional Access Payment") of Five Hundred and no 100ths (\$500.00) for each additional well. Thereafter, on or before the Anniversary Date of each year CDX shall pay UT-CO for the first four wells the sum of Two Thousand Five Hundred dollars and no/100ths (\$2,500) as Access Payment, plus an Additional Access Payment of Five Hundred dollars and no/100ths (\$500) for each additional drilled/drilling producing well, and/or shut-in well, and/or temporary abandoned well in excess of the first four wells accessed by the Access Road. Said access payments and annual access payments shall apply:

A. To all wells until said well(s) are plugged and abandoned, and access is no longer needed to that well(s), and

B. As long as CDX is using said Access Road to access and conduct oil and gas operations.

6. **Gates.** In the event gates are installed by either party hereto, said gates shall be locked at all times. CDX shall either place its own lock upon the gate (so that both UT-CO and CDX would have locks upon such gate), or UT-CO shall provide a key or the combination to its lock upon such gate to CDX. CDX will use all reasonable efforts to keep any installed gates closed and locked.
7. **Use of the Access Roadway.** Use of the Access Road across the UT-CO Land Area shall be non-exclusive, UT-CO reserving the right to use such Access Road and to grant additional, successive use of such Access Road not incompatible with the rights of CDX. CDX is and has been advised and understands that UT-CO has granted and may grant additional agreements to other parties to use the roadway across the UT-CO Land Area.
8. **Specifications.** The following specifications shall apply within the UT-CO Land Area:
 - A. CDX shall be restricted to a 30' width of access (20' road surface width) across the UT-CO Land Area.
 - B. **Gates and Fences.** In conjunction with its operations, CDX shall immediately repair damage to any fence(s) and gate(s) caused by its employees or independent contractors.
 - C. Except for that portion of the Access Road located in the canyon wash bottom, the Access Road shall be maintained with crowns in the center to facilitate drainage and water bars shall be used to direct water across the road before it washes out and before the side ditches to such road become unnecessarily deep. CDX's repair and maintenance of the road shall be prompt and of a quality and quantity to insure safe travel by four-wheel drive vehicles and upon its termination of use of said road to insure the road be left in good condition.
 - D. **Maintenance of Road.** Extraordinary damage caused to the road by activities of CDX shall be repaired by CDX promptly, at its expense. The costs of ordinary maintenance of road shall be that of CDX. UT-CO having no maintenance obligation. Any third party user except the owners and employees of UT-CO and hunting parties guided by UT-CO, shall

contribute to the maintenance of such road in the proportion of such third party's use to the use being made by CDX and any other contributing third party. It is recognized that if any well is completed as a producing well or shut-in well, that the road will receive considerably more traffic. CDX shall be mindful of such fact and, while under no obligation to do so, shall give consideration to graveling portions of the road.

9. **Livestock.** CDX shall compensate UT-CO (or the owner if other than UT-CO) for injury or death to any livestock caused by its employees or independent contractors.
10. **Restrictions on Use.** CDX being particularly mindful of the periods April 1 through September 1 of each year the use of the road by its personnel, successors, assigns and contractors on the UT-CO Land Area, shall be subject to the following restrictions:
 - A. CDX shall not leave the roadway to enter upon any surface estate owned or used by UT-CO (unless authorized by other agreement);
 - B. CDX shall not allow any unauthorized personnel to enter upon any surface estate owned or used by UT-CO, in particular being mindful that friends, family and acquaintances of CDX's personnel, and its Contractors personnel, are not authorized personnel. Salesmen, sightseers, and other persons not working for CDX or its contractors are not authorized personnel;
 - C. CDX's personnel and its contractors' personnel shall not consume any alcoholic beverages of any kind on the roadway through the surface estate of or any property owned or used by UT-CO'
 - D. CDX's personnel and its contractors' personnel shall not permit any litter to accumulate or remain on the roadway on any property owned or used by UT-CO;
 - E. CDX's personnel and its contractors' personnel shall not hunt for wild game of any type or chase wild game with dogs on any property owned or used by UT-CO.

F. CDX's personnel and its contractors' personnel shall not fish on any property owned or used by UT-CO; and

G. CDX's personnel and its contractors' personnel shall not carry any firearms of any kind, except and may be reasonably required to provide security for their equipment and facilities on any property owned or used by UT-CO.

11. **CDX's Enforcement of this Agreement.** CDX shall provide its employees and independent contractors with a copy of this Agreement and, in order to insure compliance with its terms, shall take the following action:

A. When possible, CDX shall have one of its employees who is familiar with this Agreement and the UT-CO Land Area physically accompany employees of CDX or contractors of CDX who are unfamiliar with this Agreement;

B. If an employee of a contractor for CDX violates the terms of this Agreement, CDX shall request the contractor to either discharge the employee or prohibit the employee from entering upon the UT-CO Land Area or using the Access Road that crosses the UT-CO Land Area;

C. If an employee of CDX violates the terms of this Agreement, CDX will issue a written reprimand to the offending employee and if such activity does not immediately cease, discharge such employee or move such employee to other work of CDX on operations of CDX which are not subject to this Agreement.

12. **No Interference by UT-CO.** UT-CO shall not interfere with or obstruct the operations of CDX under this Agreement in any manner, nor shall it allow any agents, employees or other persons under its supervision and control to interfere with or otherwise obstruct CDX's operations under this Agreement.

13. **Pipelines.** In the event CDX elects to construct a gas pipeline in the access roadway, prior to commencing construction, CDX shall pay UT-CO as surface damages the amount of One dollar per linear foot (\$1.00/foot). Said pipeline shall be located within the 30' Access Road width herein granted. The

pipeline easement shall be in the form attached hereto as Exhibit "B" and shall be executed at the time of payment of surface damages.

14. **Default.** In the event of default by either party hereto as to any of the terms and conditions of this Agreement, including a timely payment of any sums of money heretofore provided, the other party shall notify the defaulting party of such default and the defaulting party shall have twenty (20) days after receipt of such notice of default within which to cure such default. In the event such default is not of a nature which can be cured within twenty (20) days, the defaulting party shall promptly commence to cure such default and shall proceed promptly and diligently to cure such default, even though such curative work may extend beyond such twenty (20) day period. In the event that the defaulting party does not cure a default within the twenty (20) days set forth or, as to a default which cannot be cured within such twenty (20) days, does not proceed promptly and diligently, then the other party shall have the right to enforce this Agreement in court. All reasonable expenses and attorneys' fees incurred by the prevailing party in enforcing its rights under this Agreement shall be paid by the non-prevailing party.

15. **Notices.** Notices hereunder shall be in writing and delivered personally or sent by United States certified mail, return receipt requested, postage prepaid, addressed as follow:

Utah-Colorado Oil Corporation
3872 Village Rim Road
Park City, Utah 84098

CDX Rockies, LLC
CDX Gas, LLC
5485 Beltline Road, Suite 190
Dallas, Texas 75254
Attention: Gil Smith

16. **Term of this Agreement.** The term of this Agreement shall be for a period of one (1) year commencing on the Anniversary Date, **PROVIDING HOWEVER, THAT CDX CAN EXTEND THIS AGREEMENT THEREAFTER FOR ONE MORE YEAR ANNUALLY BY MAKING THE ANNUAL ACCESS PAYMENT (AS SET FORTH ABOVE) PRIOR TO THE NEXT ENSUING ANNIVERSARY DATE.** CDX shall have the right at any time to cease

making the annual access payments, referred to above and upon cessation of such payments, this Agreement shall terminate. However, the termination of this Agreement shall not release CDX of any obligations incurred by it prior to the date of such termination, including the obligation to make payment and obligation to remove said roadway, if applicable.

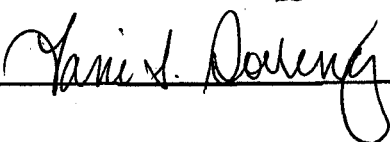
17. **Removal of Road.** Upon termination of this Agreement, UT-CO shall have 60-days to :
- A. Advise CDX that UT-CO desires to maintain the road for its own use, or
 - B. Notify CDX that the road should be removed, returned to its original contour, ripped and re-seeded.
 - C. In the event CDX is requested by UT-CO to remove the road, any gates and other improvements installed by CDX shall remain the property of CDX. However, if the road is not removed, all gates, culverts, and other improvements, if any, in and under the roadway installed by CDX shall become the property of UT-CO.
18. **Successors and Assigns.** This Agreement shall be binding upon the Successors and assigns of the parties hereto.
19. **Entire Agreement.** The parties acknowledge that this instrument constitutes the entire agreement between them, and that neither party has made representations, warranties or agreements other than as set forth herein.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

ATTEST

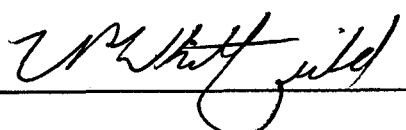
UTAH-COLORADO OIL CORPORATION

_____, Secretary

By: 

WITNESS

CDX ROCKIES, LLC

By: 

WITNESS

CDX GAS, LLC

By: *[Signature]*

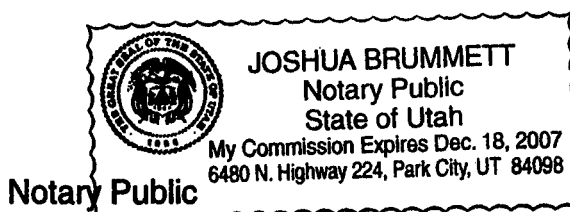
ACKNOWLEDGEMENTS

STATE OF Utah)
COUNTY OF Summit) SS.

The foregoing instrument was acknowledged before me this 23rd day of July, 2004, by Tani Doering, as President, of Utah-Colorado Oil Corporation.

Witness my hand and official seal.

Joshua Brummett
12/18/2007
My commission expires:



STATE OF COLORADO)
CITY +) SS.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 26TH day of JULY, 2004, by VAN P. WHITFIELD, as VICE PRESIDENT of CDX Rockies, LLC.

Witness my hand and official seal.

My commission expires:

Notary Public

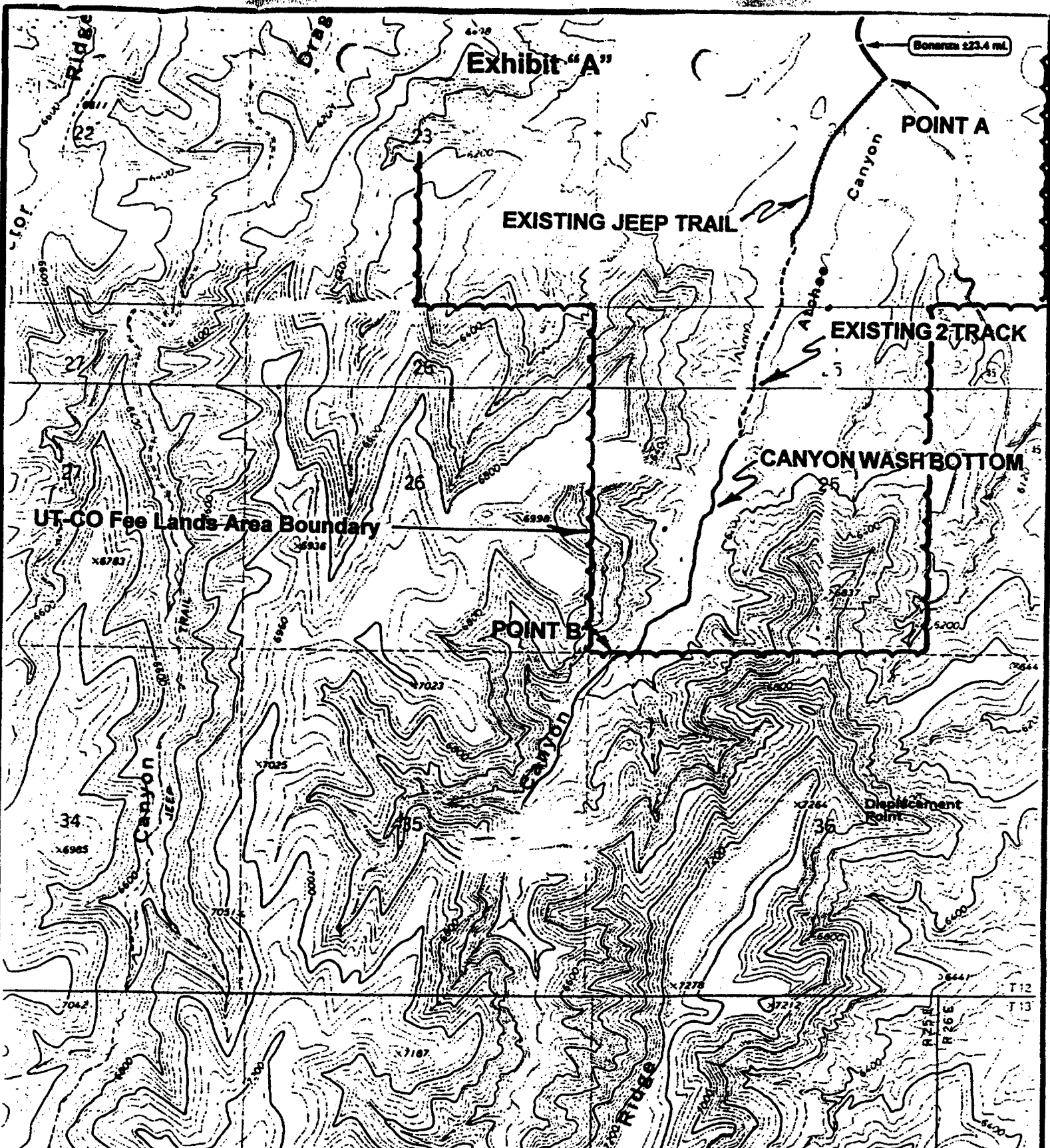
STATE OF COLORADO)
CITY +) SS.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 26TH day of JULY, 2004, by VAN P. WHITFIELD, as SENIOR VICE PRESIDENT of CDX Gas, LLC.

Witness my hand and official seal.

My commission expires:

Notary Public



CDX
ROCKIES LLC

Federal Atchee Canyon 35-12-25
SEC. 35, T12S, R25E, S.L.B.&M.

Tri-State
Land Surveying Inc.
(435) 781-2501
38 West 100 North Vernal, Utah 84078

SCALE: 1" = 2000'
DRAWN BY: D.J.
DATE: 08-29-2001

Legend

- Existing Road
- Proposed Access
- Access to be Upgraded

TOPOGRAPHIC MAP

"B"

Exhibit "B"

GRANT OF PIPELINE EASEMENT

THIS GRANT is made this _____ day of _____, 200____, from Utah-Colorado Oil Corporation ("Grantor", whether one or more), whose address is _____ to CDX Gas, LLC ("CDX" and/or "Grantee"), Texas limited liability corporation, whose address is 5485 Beltline Road, Suite 190, Dallas, Texas 75254. The parties agree as follows:

1. **Grant of Pipeline Easement:** In consideration of an amount equal to One dollar per linear foot (\$1.00/foot), the Grantor agrees to grant unto CDX a right of way to construct, maintain, inspect, operate, repair, replace, modify, enlarge, and abandon at its election, and after prior written consent on Grantor, to remove said pipeline, and other appurtenances, for the transportation of oil, gas, petroleum products, water, and any other substances, whether fluid, solid, or energy, any products and derivatives of any of the foregoing, and any combinations and mixtures of any of the foregoing, upon and along the route described in Exhibit "A", in, on, over, under, or through the properties which Grantor is the owner in fee simple, situated in Uintah County, State of Utah, as described in Exhibit "A". "Said pipeline(s) to be located within the boundary of a 30' wide access road being constructed and upgraded by CDX", said Exhibit "A" being attached to and incorporated into this Grant. The parties intend this instrument to be recorded in the property records of the county listed above.

This Grant includes the right of ingress and egress to and from the properties for any and all purposes necessary and incident to exercise the rights granted to CDX. Grantor shall have the right to use and enjoy the properties including the right to construct fences across the right of way; however, Grantor shall not exercise such use and enjoyment in a manner that will impair or interfere with the rights granted. Grantor agrees not to build, create, construct or permit to be built, created or constructed, any obstruction, building, reservoir, engineering works or other structure over, under, or on the easement granted, except with prior written consent of Grantee.

2. **Superior Rights of Way an Easements:** To the extent that the Easement crosses or aligns with prior right of way or easements of superior grantees on grantor's property, including but not limited to ditches, roads, pipelines and power lines, CDX will obtain at its sole expense the necessary right of way or authorization from the superior grantee(s). Grantor agrees to assist CDX at CDX's sole expense in obtaining right of way or authorization from superior grantees.
3. **Successor and Assigns:** The terms, conditions, and provisions of this Grant shall be binding upon and inure to the benefits of the parties, their heirs, executors, legal representatives, administrators, successors, and assigns. All rights granted may be released or assigned in whole or in part.
4. **Termination of Grant Rights:** The rights of this Grant shall be possessed, continued, and enjoyed by CDX, its successors and assigns, for so long as the pipeline, and appurtenances constructed pursuant to this Grant shall be operated by CDX, its successors or assigns. Upon termination of these Grant rights, CDX, its successors or assigns, may abandon the pipeline and appurtenances in place, except that all such facilities or equipment shall be abandoned below a plow depth of twenty-four inches (24").

5. Additional Provisions:

- A. Only one gas pipeline and one water pipeline shall be placed in the Pipeline Easement, unless Grantor consents to additional pipelines.
- B. Grantor may relocate the Pipeline Easement and pipeline(s) at Grantors sole cost, risk, and expense. Grantor shall notify Grantee at least thirty days prior to commencement of relocation of the pipeline(s). Said relocation shall be made with minimal interruption of the flow product through said pipeline(s) (not to exceed three days) and completed within thirty days of commencement.
- C. Grantor shall have the right to build roads and parking lots over and across the Pipeline Easement and pipeline(s).
- D. The pipeline(s) shall not exceed eight inches (8") outside diameter.
- E. The pipeline(s) may not be enlarged without written consent of Grantor. Grantor is not obligated to grant such consent.
- F. The Pipeline Easement shall terminate upon any continuous period of nonuse exceeding one year.
- G. The Pipeline Easement is not a grant for power lines or overhead wires.
- H. The pipeline shall be buried at least thirty-six inches (36") below the surface.

6. Modification: This Grant cannot be modified, except by a writing signed by both parties.

IN WITNESS WHEREOF, the parties have executed this Grant on the date first written above.

UTAH COLORADO OIL CORPORATION,
GRANTOR

CDX GAS, LLC, GRANTEE

By: Tani D. Doring
Title: President

By: _____
Title: _____

ACKNOWLEDGMENTS

STATE OF UTAH

COUNTY OF Summit

)
) SS.
)

The foregoing instrument was acknowledged before me this 23rd day of July, 2004, by Tani Doring, whose name as President of Utah Colorado Oil Corporation, a _____ corporation, is subscribed above, who is known to me and who after being by me first duly sworn, deposed and stated on oath that he executed the forgoing instrument

voluntarily and with full knowledge of the contents therein and with full authority, for and as the act of said corporation.

WITNESS my hand and official seal

12/18/2007
My commission expires:



JOSHUA BRUMMETT
Notary Public
State of Utah
My Commission Expires Dec. 18, 2007
6480 N. Highway 224, Park City, UT 84098

Joshua Brummett
Notary Public:

STATE OF)
COUNTY OF) SS.
)

The foregoing instrument was acknowledged before me this ____ day of _____, 2004, by _____, whose name as _____ of CDX GAS, LLC, a _____, is subscribed above, who is known to me and who after being by me first duly sworn, deposed and stated on oath that he executed the forgoing instrument voluntarily and with full knowledge of the contents therein and with full authority, for and as the act of said corporation.

WITNESS my hand and official seal

My commission expires:

Notary Public:

Exhibit "A"

**LEGAL DESCRIPTION OF EASEMENT
ON PROPERTIES SUBJECT TO GRANT OF PIPELINE EASEMENT**

This legal description is incorporated into that certain GRANT OF PIPELINE EASEMENT dated _____, 2004, from Utah-Colorado Oil Corporation ("Grantor"), whether one or more, to CDX Gas, LLC ("CDX" and/or "Grantor"), and describes the easement across Grantor's property which is subject to the Grant.

Township 12 South, Range 25 East, SLM

Section 23: E/2

Section 24: W/2, Lots 14 and 15

Section 25: Lots 3, 4, and 8 through 11, W/2

Uintah County, Utah

The easement granted is an area of ground which is measured fifteen feet (15') in both directions from the centerline of the access road as constructed and/or up graded pursuant to that certain Road Access Agreement dated July 15, 2004, between Utah-Colorado Oil Corporation and CDX Rockies, LLC

the purposes hereof the easement shall be the total of 5,000 linear feet.

The easement granted also includes an operational surface use area of approximately 75 by 150 which shall be located at the intersection of the Access Road and Evacuation Creek Road at approximately the center of the SW/4NE/4 of Section 24-T12S-R25E, SLM, Uintah County, Utah.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: CDX GAS, LLC
WELL NAME & NUMBER: ATCHEE CANYON 25-12-25#4
API NUMBER: 43-047-35830
LEASE: FEE FIELD/UNIT: WILDCAT
LOCATION: 1/4, 1/4 NE/NW Sec: 25 TWP: 12S RNG: 25E 2283' FWL 1150' FNL
LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4, 1/4 LINE; 920 F ANOTHER WELL.
GPS COORD (UTM): 4401784N 12665482E
SURFACE OWNER: UTAH COLORADO OIL CORPORATION.

PARTICIPANTS

DAVID W. HACKFORD, (DOGM), BRET COOK, AL ARLIAN, SCOTT HUDSON, (CDX).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

SITE IS IN THE BOTTOM OF ATCHEE CANYON, 300' WEST OF THE DRY WATERCOURSE WHICH RUNS DOWN THIS CANYON. DRAINAGE IS TO THE NORTH, NORTHEAST TO EVACUATION CREEK ONE MILE AWAY. CANYON BOTTOM IS RELATIVELY FLAT AND LEVEL WHILE THE CANYON WALLS ARE STEEP AND RUGGED WITH NUMEROUS SHEER CLIFFS AND SANDSTONE OUTCROPPINGS. BONANZA, UTAH IS 17 MILES TO THE NORTH.

SURFACE USE PLAN

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING, HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 325' BY 205'. ACCESS ROAD WILL BE 0.9 MILES OF EXISTING TWO TRACK WHICH WILL BE UPDATED.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE ATTACHED MAP FROM GIS DATABASE.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: ALL PRODUCTION FACILITIES WILL BE ON LOCATION AND ADDED AFTER DRILLING WELL. PIPELINE WILL BE SURVEYED AND PERMITTED IF NEEDED.

SOURCE OF CONSTRUCTION MATERIAL: ALL CONSTRUCTION MATERIAL WILL BE BORROWED FROM SITE DURING CONSTRUCTION OF LOCATION.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WASTE MANAGEMENT PLAN:

DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. LIQUIDS FROM PIT WILL BE ALLOWED TO EVAPORATE. FORMATION WATER WILL BE CONFINED TO STORAGE TANKS. SEWAGE FACILITIES, STORAGE AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED LAND FILL.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: PINION PINE, JUNIPER, SAGE, GREASEWOOD, PRICKLY PEAR, CHEATGRASS, OTHER NATIVE GRASSES. ELK, DEER, RODENTS, RAPTORS, COYOTE, SONGBIRDS, RABBIT, BOBCAT, BEAR, COUGAR.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY CLAY LOAM.

EROSION/SEDIMENTATION/STABILITY: VERY LITTLE NATURAL EROSION. SEDIMENTATION AND STABILITY ARE NOT A PROBLEM AND LOCATION CONSTRUCTION SHOULDN'T CAUSE AN INCREASE IN STABILITY OR EROSION PROBLEMS.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

RESERVE PIT

CHARACTERISTICS: 170' BY 40' AND SIX FEET DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A 12 MIL LINER WILL BE REQUIRED FOR RESERVE PIT.

SURFACE RESTORATION/RECLAMATION PLAN

AS PER LANDOWNER AGREEMENT

SURFACE AGREEMENT: YES

CULTURAL RESOURCES/ARCHAEOLOGY: SITE IS ON FEE SURFACE.

OTHER OBSERVATIONS/COMMENTS

THIS PREDRILL INVESTIGATION WAS CONDUCTED ON A HOT, SUNNY DAY.

ATTACHMENTS

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

DAVID W. HACKFORD
DOGM REPRESENTATIVE

7/28/04 11:30 AM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>5</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

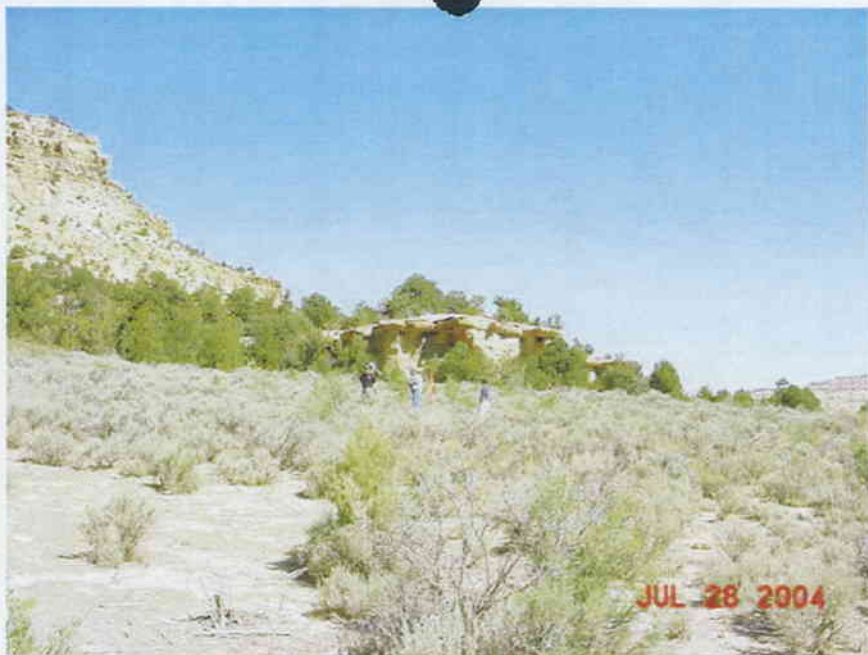
Final Score 20 (**Level I Sensitivity**)

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.





DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

OPERATOR: CDX GAS, LLC
WELL NAME & NUMBER: ATCHEE CANYON 25-12-25#4
API NUMBER: 43-047-35830
LOCATION: 1/4,1/4 NE/NW Sec: 25 TWP: 12S RNG:25E 2283' FWL 1150' FNL

Geology/Ground Water:

CDX proposes to set 575' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 3,600'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the proposed location. The surface formation at this site is the Green River Formation and alluvium derived from the Green River Formation. The location is near a drainage bottom and near-surface water may be present in the alluvium. The Green River Formation is made up of interbedded limestones, shales and sandstones and may include some fresh water zones above the moderately saline water,. The proposed casing and cementing program should adequately protect any underground sources of useable water near the surface.

Reviewer: Brad Hill **Date:** 08-02-04

Surface:

The predrill investigation of the surface was performed on 7/29/04. This site is on fee surface with fee minerals, and appears to be the best site for a location in the immediate area. I notified Mr. Brad Ockerland (representative of Utah Colorado Oil Corporation) by telephone on 7/19/2004 and invited him to this investigation. He told me there was a signed landowner agreement, and he would not be attending. He was not present. Utah Colorado Oil Corporation also owned mineral rights for this well.

Reviewer: David W. Hackford **Date:** 7/30/2004

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.

Well name:

08-04 CDX Atachee Cyn 25-12-25

Operator: CDX Gas, LLC

String type: Surface

Project ID:

43-047-35830

Location: Uintah

Design parameters:**Collapse**

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 73 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 185 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 76 psi
Internal gradient: 0.447 psi/ft
Calculated BHP 333 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 504 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 7,300 ft
Next mud weight: 8.800 ppg
Next setting BHP: 3,337 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 575 ft
Injection pressure 575 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	575	9.625	36.00	J-55	ST&C	575	575	8.796	40.9
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	251	2020	8.051	333	3520	10.58	21	394	19.03 J

Prepared Clinton Dworshak
by: Utah Div. of Oil & Mining

Date: August 5, 2004
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 575 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

08-04 CDX Atachee Cyn 25-12-25

Operator: CDX Gas, LLC

String type: Production

Project ID:

43-047-35830

Location: Uintah

Design parameters:**Collapse**

Mud weight: 8.800 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 167 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 368 ft

Cement top: 1,010 ft

Burst

Max anticipated surface pressure:

76 psi

Internal gradient: 0.447 psi/ft

Calculated BHP 3,337 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.

Neutral point: 6,326 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	7300	5.5	17.00	N-80	LT&C	7300	7300	4.767	251.6
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3337	6290	1.885	3337	7740	2.32	124	348	2.80 J

Prepared by: Clinton Dworshak
Utah Div. of Oil & MiningDate: August 5, 2004
Salt Lake City, Utah**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 7300 ft, a mud weight of 8.8 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Casing Schematic

Surface

9-5/8"
MW 8.4
Frac 19.3

TOC @
0.

535
Mesaverde
Surface
575. MD

w/18% Washout

270 sts 1.41 yd

Scott Hudson
8/5/04 CD

TOC @
1010.

BHP

$$(0.52)(8.8)(7300) = 3340$$

3253 Mancos

Gas

$$(1.12)(7300) = 876$$

w/15% Washout

Surface w/ 9% Washout

Lead 584 - 2.49

Tail 143 - 2.25

Scott Hudson
8/5/04 CD

MASP = 2464

BOPE = 5,000 proposed ✓

3600 BMSW

Surf CSG - 3520

$$708 = 2464$$

Test to 2400 psi ✓

6160
TOC Tail

6677 Frontier

Adequate

8/13/04

5-1/2"
MW 8.8

Production
7300. MD



State of Utah

Department of
Natural ResourcesROBERT L. MORGAN
*Executive Director*Division of
Oil, Gas & MiningLOWELL P. BRAXTON
*Division Director*OLENE S. WALKER
*Governor*GAYLE F. McKEACHNIE
Lieutenant Governor

August 17, 2004

CDX Gas, LLC
1801 Broadway, #1060
Denver, CO 80202Re: Atchee Canyon 25-12-25 #4 Well, 1150' FNL, 2283' FWL, NE NW, Sec. 25,
T. 12 South, R. 25 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-35830.

Sincerely,

for John R. Baza
Associate Director

pab
Enclosures

cc: Uintah County Assessor

Operator: CDX Gas, LLC
Well Name & Number Atchee Canyon 25-12-25 #4
API Number: 43-047-35830
Lease: Fee

Location: NE NW Sec. 25 T. 12 South R. 25 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

011

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: *See Below. Fee
2. NAME OF OPERATOR: CDX Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1801 Broadway, Suite 1060 City Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: Displacement Point Unit
PHONE NUMBER: (303) 298-8211		8. WELL NAME and NUMBER: Atchee Canyon 25-12-25 #4
10. FIELD AND POOL, OR WILDCAT: Wildcat		

4. LOCATION OF WELL FOOTAGES AT SURFACE: 1,150' FNL 2,283' FWL	COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 25 12S 25E	STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 10/25/2004	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input checked="" type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON	
	<input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER:	
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION		

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

1. Change Surface Casing Grade to . . . 35%#s Limited Service Casing which has been inspected and meets API requirements.
 2. Reduce proposed total depth to 2,900' + or - (depth sufficient to drill 50' below the top of the Sego Formation, plus rathole).
- No other changes in pipe and cement, except less amounts caused by reduced well depth.


*First Obligation Well w/i Displacement Point Federal Unit, but Fee Well, Minerals, and Surface.

cc: BLM Vernal Office

RECEIVED

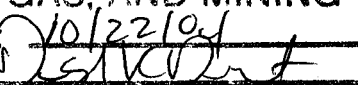
OCT 22 2004

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Alvin (Al) R. Arlian	TITLE Land Manager-Western Operations
SIGNATURE 	DATE 10-21-04

(This space for State use only)

COPY SENT TO OPERATOR
Date: 10-26-04
Initials: CRO

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 10/22/04
BY: 

DIVISION OF OIL, GAS AND MINING**SPUDDING INFORMATION**Name of Company: CDX GAS, LLCWell Name: ATCHEE CYN 25-12-25 #4Api No: 43-047-35830 Lease Type: FEESection 25 Township 12S Range 25E County UINTAHDrilling Contractor PETE MARTIN'S RIG # BUCKET**SPUDDED:**Date 10/26/04Time 4:00 PMHow DRY**Drilling will commence:** _____Reported by BRENT STUBBSTelephone # 1-435-828-8100Date 10/27/2004 Signed CHD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: *See Below.
2. NAME OF OPERATOR: CDX Rockies, LLC <i>N1860</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1801 Broadway, Suite 1060 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: Displacement Point Unit
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1,150' FNL 2,283' FWL		8. WELL NAME and NUMBER: Atchee Canyon 25-12-25 #4
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 25 12S 25E		9. API NUMBER: 4304735830
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 10/25/2004	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

1. This well is now being drilled as the 1st obligation well within the Displacement Point Federal Unit.
2. CDX Rockies, LLC is the unit operator, so the operator must be changed from CDX Gas, LLC to the unit operator CDX Rockies, LLC. pursuant to the unit operating agreement.
3. 1st First Obligation Well w/i Displacement Point Federal Unit, but Fee Well, Minerals, and Surface.

cc: BLM Vernal Office.

[Signature], Alvin R. Arlian, Land Manager-Western Operations, CDX Gas, LLC *N2555*
10-26-04, Date

NAME (PLEASE PRINT) <u>Alvin (Al) R. Arlian</u>	TITLE <u>Land Manager, CDX Rockies, LLC</u>
SIGNATURE <i>[Signature]</i>	DATE <u>10-26-04</u>

(This space for State use only)

APPROVED *10 138104*

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED

OCT 27 2004

DIV. OF OIL, GAS & MINING

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM n/a BIA n/a

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: n/a

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 10/28/2004
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 10/28/2004
3. Bond information entered in RBDMS on: 10/28/2004
4. Fee/State wells attached to bond in RBDMS on: 10/28/2004
5. Injection Projects to new operator in RBDMS on: n/a
6. Receipt of Acceptance of Drilling Procedures for APD/New on: n/a same company operations

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: n/a

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: n/a

FEE & STATE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number B000903
2. The **FORMER** operator has requested a release of liability from their bond on: n/a same bond
The Division sent response by letter on: n/a

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: _____

COMMENTS:

Change of operator to accommodate BLM unit requirements



CNDX Gas, LLC
1801 Broadway, Suite 1060
Denver, Colorado 80202
Tel: 303-298-8211
Fax: 303-298-3411

FAX TRANSMITTAL SHEET

DATE/TIME: 11-4-04
TO: Dustin Doucet
FAX: (801) 359-3940
FROM: Laverie Hardy
MATTER: Sunday Notice - Archos
PAGES TRANSMITTED INCLUDING THIS PAGE: 2

Comments:

**IF YOU HAVE ANY PROBLEMS RECEIVING THIS FAX,
PLEASE CALL (303) 298-8211 x2888.**

FORM 9

013

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: "See Below."
2. NAME OF OPERATOR: CDX Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIML NAME:
3. ADDRESS OF OPERATION: 1801 Broadway, Suite 1080 Denver CO 80202		7. UNIT or CA ASSIGNMENT NAME: Displacement Point Unit
4. LOCATION OF WELL FOOTAGES AT SURFACE 1,150' FNL 2,283' FWL COUNTRY: Uintah		8. WELL NAME and NUMBER: Atchee Canyon 25-12-25 #4
5. PHONE NUMBER: (303) 298-8211		9. API NUMBER: 4304735830
6. QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 25 12S 25E STATE: UTAH		10. FIELD AND POOL, OR WILDCAT: Wildcat

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VCNT OR FLAKE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Date: November 4, 2004

cc: BLM Vernal Office

Operation:

While drilling 7 7/8" hole to 1271', a water flow was encountered. Flow was both inside & outside of the 9 5/8" Surface Casing. Verbal approval was received from Dustin Doucet, State of Utah Division of Oil, Gas & Mining, to modify the drilling procedure on 11-3-2004 per the following:

1. Set 9 5/8" cement Retainer at +/- 535' Shoe at 595'
2. Squeeze Cement w/ 400 sks Class H Cement
3. Drill Out Squeeze and Open Hole with 8 3/4" bit to 1271'
4. Run 7" 23# J-55 LTC Casing from Surface to 1271'
5. Cement 7" Casing w/ 250 sks Class H, 50% Excess
6. Drill 6 1/4" hole to TD at 2900'
7. Run 4 1/2" 10.50, J-55 LTC Casing to TD. Surface to 2900'
8. Cement 4 1/2" w/ 325 sks Class H Cement. 25% Excess. Actual Cement. (Volume will be determined by caliper log.)

** Cement types and volumes may be modified and will be reported on Subsequent Reports of.
All casing cement slurries will come back to surface.

NAME (PLC/SE PRINT): Alvin (AJ) R. Arlian	TITLE: Land Manager-Western Operations
SIGNATURE: <i>Alvin R. Arlian</i> (LH)	DATE: 11-4-2004

(This space for State use only)

COPY SENT TO OPERATOR
Date: 11-5-04
Initials: GHD

(5/2000)

(See Instructions on Reverse Side)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 11/4/04
BY: *[Signature]*

Well name:

11-04 CDX Atachee Cyn 25-12-25rev.

Operator: **CDX Gas, LLC**

String type: Production

Project ID:

43-047-35830

Location: Uintah

Design parameters:**Collapse**

Mud weight: 8.800 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 106 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 368 ft

Cement top: 661 ft

BurstMax anticipated surface
pressure:

30 psi

Internal gradient: 0.447 psi/ft

Calculated BHP 1,326 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.

Neutral point: 2,520 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2900	4.5	10.50	J-55	ST&C	2900	2900	3.927	60.6
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1326	4010	3.025	1326	4790	3.61	30	132	4.33 J

Prepared by: Clinton Dworshak
Utah Div. of Oil & MiningDate: November 4, 2004
Salt Lake City, Utah**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 2900 ft, a mud weight of 8.8 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

11-04 CDX Atachee Cyn 25-12-25rev.

Operator: CDX Gas, LLC

String type: Intermediate

Project ID:

43-047-35830

Location: Uintah

Design parameters:**Collapse**Mud weight: 8.800 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 83 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,271 ft

Cement top: 236 ft

BurstMax anticipated surface
pressure: 978 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 1,130 psi

No backup mud specified.

Tension:8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)Tension is based on air weight.
Neutral point: 1,103 ft

Non-directional string.

Re subsequent strings:Next setting depth: 2,900 ft
Next mud weight: 8.800 ppg
Next setting BHP: 1,326 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,900 ft
Injection pressure 2,900 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1271	7	23.00	J-55	LT&C	1271	1271	6.25	58.7
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	581	3270	5.628	1130	4360	3.86	29	313	10.71 J

Prepared Clinton Dworshak
by: Utah Div. of Oil & MiningDate: November 4, 2004
Salt Lake City, Utah**ENGINEERING STIPULATIONS: NONE**

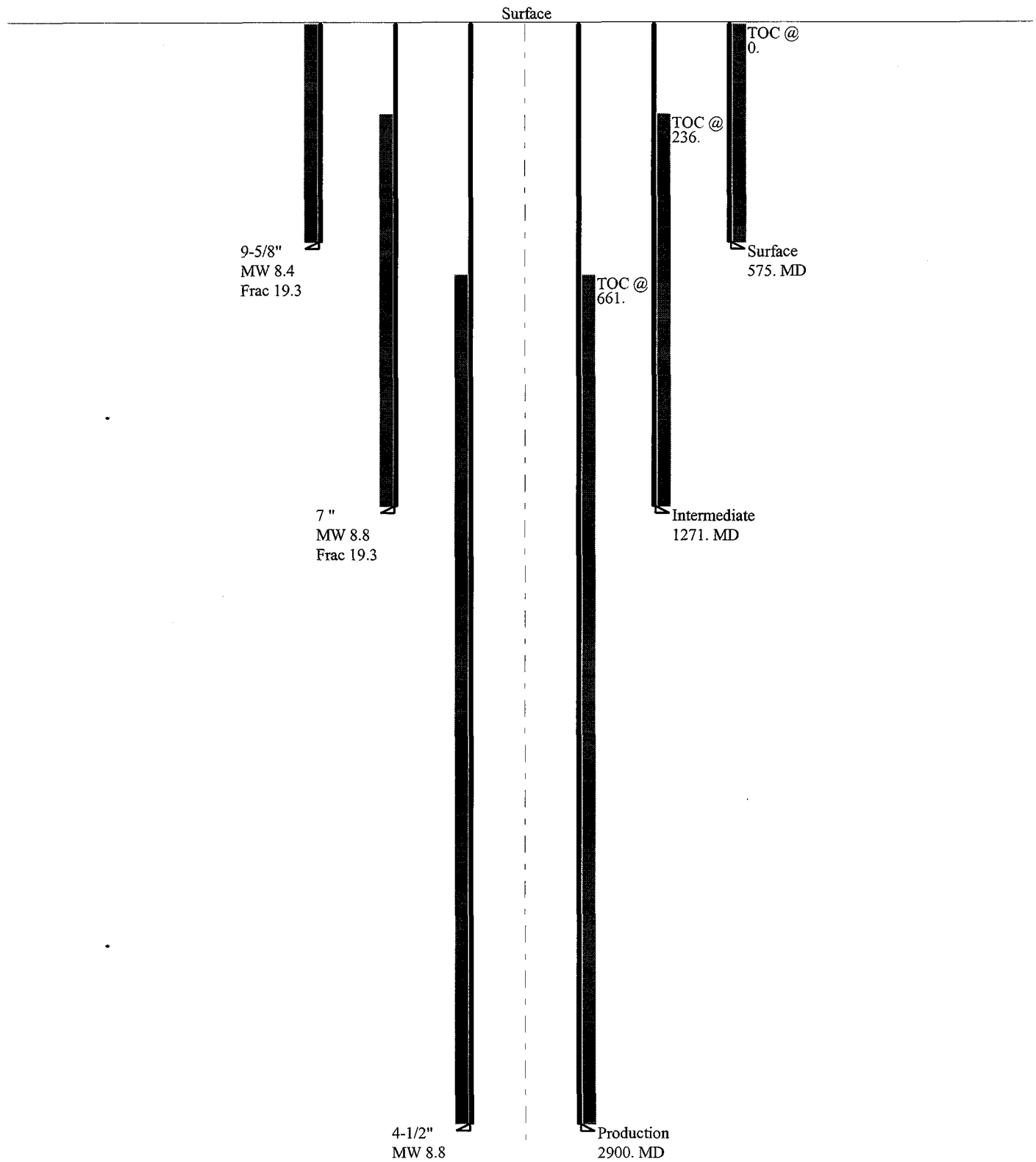
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 1271 ft, a mud weight of 8.8 ppg The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

1-04 CDX Atachee Cyn 25-25rev.
Casing Schematic



015

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: *See Below.
2. NAME OF OPERATOR: CDX Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1801 Broadway, Suite 1060 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: Displacement Point Unit
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1,150' FNL 2,283' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 25 12S 25E		8. WELL NAME and NUMBER: Atchee Canyon 25-12-25 #4
PHONE NUMBER: (303) 298-8211		9. API NUMBER: 4304735830
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input checked="" type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input checked="" type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Date: November 4, 2004

cc: BLM Vernal Office

Operation:

While drilling 7 7/8" hole to 1271', a water flow was encountered. Flow was both inside & outside of the 9 5/8" Surface Casing. Verbal approval was received from Dustin Doucet, State of Utah Division of Oil, Gas & Mining, to modify the drilling procedure on 11-3-2004 per the following:

1. Set 9 5/8" cement Retainer at +/- 535' Shoe at 595'
2. Squeeze Cement w/ 400 sks Class H Cement
3. Drill Out Squeeze and Open Hole with 8 3/4" bit to 1271'
4. Run 7" 23# J-55 LTC Casing from Surface to 1271'
5. Cement 7" Casing w/ 250 sks Class H. 50% Excess
6. Drill 6 1/4" hole to TD at 2900'
7. Run 4 1/2" 10.50, J-55 LTC Casing to TD. Surface to 2900'
8. Cement 4 1/2" w/ 325 sks Class H Cement. 25% Excess. Actual Cement. (Volume will be determined by caliper log.)

** Cement types and volumes may be modified and will be reported on Subsequent Reports of.
All casing cement slurries will come back to surface.

RECEIVED**NOV 08 2004****DIV. OF OIL, GAS & MINING**

NAME (PLEASE PRINT) Alvin (Al) R. Arlian	TITLE Land Manager-Western Operations
SIGNATURE <i>Alvin R. Arlian (Al)</i>	DATE 11-4-2004

(This space for State use only)

COPY SENT TO OPERATOR
Date: 11-23-04
Initials: C.H.O.

Fax Copy Approved 11/4/2004 DRD

016

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: *See Below.
2. NAME OF OPERATOR: CDX Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1801 Broadway, Suite 1060 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: Displacement Point Unit
PHONE NUMBER: (303) 298-8211		8. WELL NAME and NUMBER: Atchee Canyon 25-12-25 #4
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1,150' FNL 2,283' FWL		9. API NUMBER: 4304735830
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 25 12S 25E		10. FIELD AND POOL, OR WILDCAT: Wildcat

COUNTY: Uintah

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Date: October 26, 2004
Operation:

1. MIRU Surface Casing Drilling Rig
2. Spudded 4:00 p.m. (Oct-26-04)
3. Drilled 20" hole, from 0 to 60' deep
4. Ran 14" casing to total of 60' LGNTH (42'+18' = 60')
5. Cemented casing from 60' to surface w/ 6 bg mix supplied by Pete Martin,
6. MR off location
7. WOC

RECEIVED**NOV 08 2004****DIV. OF OIL, GAS & MINING**

cc: BLM Vernal Office

NAME (PLEASE PRINT) Alvin (Al) R. Arlian	TITLE Land Manager-Western Operations
SIGNATURE <i>Alvin R. Arlian (llh)</i>	DATE 10-26-2004

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

017

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:
*See Below.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:
Displacement Point Unit

8. WELL NAME and NUMBER:
Atchee Canyon 25-12-25 #4

9. API NUMBER:
4304735830

10. FIELD AND POOL, OR WILDCAT:
Wildcat

1. TYPE OF WELL
OIL WELL ☐ GAS WELL ☒ OTHER _____

2. NAME OF OPERATOR:
CDX Gas, LLC

3. ADDRESS OF OPERATOR:
1801 Broadway, Suite 1060 CITY Denver STATE CO ZIP 80202

PHONE NUMBER:
(303) 298-8211

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1,150' FNL 2,283' FWL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 25 12S 25E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Date: October 27, 2004

Operation:

1. WOC

2. Drilled 12 1/4" hole from 60' to 610' TD GL. Air & air mist. Notify Carol Daniels w/ State of Ut, confirm spud & cement. Circ & condition hole

3. TOOH, laying down pipe and BHA

4. PU & run 27 jts 9 5/8, range 1, 36#, LS ST&C, J55, total lgth. 584.70' GL. 1 Guide shoe, Float insert @539.70, 5 centralizers.

5. Guide shoe, 2 jts, float insert in top of 2 jt, 25 jts, centralizers top of 1jt, top of 2 jt, top of 4jt, top of 6 jt, top of 8 jt.

6. RU & cement casing. Plug down @2:29, 10-28-04

7. Cement summary: Pump 30 bbls fresh water, 20 bbls Gel Sweep, 300 sks Premium G 2% CC, 1/4#/sk flocele, @15.8 ppg 1.15ft3/sk 5-gal water/sk. Fluid to surface 61 bbls away. Drop plug and displace with 36 bbls water. 5 bbls cement to pit.

Land plug 410psi. 230 psi over. Check float, not holding, pressure up to 380 psi and shut in.

7. Wait to in stall cellar ring & well head.

cc: BLM Vernal Office

NOV 08 2004

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Alvin (Al) R. Arlian

TITLE Land Manager-Western Operations

SIGNATURE

Alvin R. Arlian (LH)

DATE

10-27-2004

(This space for State use only)

014

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: CDX Rockies, LLC Operator Account Number: N 1860
 Address: 1801 Broadway, Suite 1060
city Denver
state CO zip 80016 Phone Number: (303) 298-8211

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304735830	Alchee Canyon 25-12-25 #4		NENW	25	12S	25E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	14371	10/26/2004		11/10/04		
Comments: 1st Obligation well w/i Displacement Point Unit. MVRD							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Alvin R. (Al) Arlian

Name (Please Print)

Signature

Land Manager

Title

11/10/2004

Date

(5/2000)

RECEIVED**NOV 10 2004**

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ FORM 8
(highlight changes)

018

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER _____

b. TYPE OF WORK: NEW WELL ☒ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER _____

2. NAME OF OPERATOR: CDX Rockies, LLC

3. ADDRESS OF OPERATOR: 1801 Broadway #1060 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 298-8211

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 1,150' FNL - 2,283' FWL
AT TOP PRODUCING INTERVAL REPORTED BELOW: 1,150' FNL - 2,283' FWL
AT TOTAL DEPTH: 1,150' FNL - 2,283' FWL

5. LEASE DESIGNATION AND SERIAL NUMBER: (fee)

6. IF INDIAN, ALLOTTEE OR TRIBE NAME (fee)

7. UNIT or CA AGREEMENT NAME
Displacement Point Unit

8. WELL NAME and NUMBER:
Atchee Canyon 25-12-25 #4

9. API NUMBER:
4304735830

10. FIELD AND POOL, OR WILDCAT
Wildcat

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
NENW 25 12S 25E

12. COUNTY
Uintah

13. STATE
UTAH

14. DATE SPURRED: 10/26/2004 15. DATE T.D. REACHED: 11/17/2004 16. DATE COMPLETED: 1/10/2005 ABANDONED ☐ READY TO PRODUCE ☒

17. ELEVATIONS (DF, RKB, RT, GL):
6,025' GL

18. TOTAL DEPTH: MD 3,124 TVD 3,124 19. PLUG BACK T.D.: MD 3,074 TVD 3,074 20. IF MULTIPLE COMPLETIONS, HOW MANY? *

21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
GR/CCL/CBL, Schlumberger Triple Combo
AFTER FRAC GAMMA RAY

23. WAS WELL CORED? NO ☒ YES ☐ (Submit analysis)
WAS DST RUN? NO ☒ YES ☐ (Submit report)
DIRECTIONAL SURVEY? NO ☒ YES ☐ (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12.25"	9 5/8 J-55	36.0	0	595		G 300		surface	
8.75"	7 J-55	23.0	0	1,103		50/50 105		surface	
						G 300			
6.25"	4 1/2 M-80	11.6	0	3,124		50/50 315		surface	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	2,258							

26. PRODUCING INTERVALS MURD / PKD, GLH

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Nelsen	1,150	3,049	1,150	3,049	2,174 2,490	.34	70	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
2,174' to 2,353'	500 gal 7-1/2% HCl
2,174' to 2,353'	100,000#'s 20/40 Ottawa w/ Flex Sand, 1,490 bbls X-link Gel.

29. ENCLOSED ATTACHMENTS: ☒ ELECTRICAL/MECHANICAL LOGS ☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☒ GEOLOGIC REPORT ☐ CORE ANALYSIS ☐ DST REPORT ☒ DIRECTIONAL SURVEY ☐ OTHER: _____

30. WELL STATUS: **Producing**

JAN 20 2005

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 1/10/2005		TEST DATE: 1/11/2005		HOURS TESTED: 12		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF: 0	WATER – BBL: 100	PROD. METHOD: Pumping
CHOKE SIZE: n/a	TBG. PRESS. 0	CSG. PRESS. 0	API GRAVITY 0.00	BTU – GAS 800	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 0	WATER – BBL: 100	INTERVAL STATUS:

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

Surface p/l tie-in January 12, 2005) However, well is dewatering and an additional sundry notice will be filed upon first sales.

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Green River - Wasatch	0	879			
Tuscher/Farrer	880	1,975			
Nelsen	1,976	2,887	Coal		
Sego	2,888	3,125			

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Alvin R. (Al) Arlian

TITLE Land Manager - Western Operations

SIGNATURE



DATE 1/12/2005

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation

- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

019

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: *See Below.
2. NAME OF OPERATOR: CDX Rockies, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1801 Broadway, Suite 1060 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: Displacement Point Unit
PHONE NUMBER: (303) 298-8211		8. WELL NAME and NUMBER: Atchee Canyon 25-12-25 #4
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1,150' FNL 2,283' FWL		9. API NUMBER: 4304735830
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 25 12S 25E		10. FIELD AND POOL, OR WILDCAT: Wildcat

COUNTY: **Uintah**

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> ALTER CASING	<input checked="" type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON	
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 1/10/2005	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: De-watering	
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION		

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

INITIAL COMPLETION REPORT

- FRAC DEPTH... Perforated 2,353' to 2,356', 2,326' to 2,337', 2,296' to 2,300', 2,256' to 2,258' and 2,174' to 2,178' w/ 2 spf, 0.32" dia, total of 48 shots.
- NON FRAC DEPTHS... Perforated 2,488' to 2,490', 2,482' to 2,484', 2,473' to 2,476', 2,404' to 2,406', 2,282' to 2,484' w/ 2 spf, 35" dia., 120 Deg Phasing, 22 shots total.
- FRAC DEPTH... Acid: 500 gals 7-1/2% HCL,
Gel: BJ Lighting 18
Frac: 100,000 #'s 20/40 Ottawa sand, Last 2 Stage w/ Flex Sand
Fluid: Total Fluid Pumped 1,490 bbls.
- Rod up well and de-watering (see attached production report).
- Set meter loop and temporary gas sales line.
- Tubing: 2-3/8" set at 2,270' RKB - 2,258' GR.
- Rod testing well.
- Hauling water to Retamco disposal well.
- A FINAL COMPLETION REPORT WILL BE FILED WHEN WELL HAS DE-WATERED.

RECEIVED**MAR 23 2005**

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>Alvin (Al) R. Arlian</u>	TITLE <u>Land Manager - Western Operations</u>
SIGNATURE 	DATE <u>3/1/2005</u>

(This space for State use only)

CDX Gas, LLC

Daily Field Production Report

Month **February-05**

Well Name: **ATCHEE CYN 25-12-25 #4**

Meter Data:

Location:

Choke Size:

DATE	Gas Rate (mcf/d)	Water Produced (bbl)	Prod well-tbg (psig)	Prod well-csg (psig)	Line Press (psia)	Comments
2/1/2005	0	126				Changed engine sheave, balance PU @ 9 spm
2/2/2005	0	218				
2/3/2005	0	208				Slight blow of gas off casing
2/4/2005	0	160				
2/5/2005	0	188				Slight blow of gas off casing
2/6/2005	0	188				Slight blow of gas off casing
2/7/2005	0	183				Light blow of gas off casing
2/8/2005	0	183				Light blow of gas off casing
2/9/2005	0	173				PU down. Probable oil leak
2/10/2005	0	0				Engine would not start. Mechanic called
2/11/2005	0	0				Down for engine repairs
2/12/2005	0	0				Down for engine repairs
2/13/2005	0	0				Down for engine repairs
2/14/2005	0	0				Down for engine repairs
2/15/2005	0	0				Down for engine repairs
2/16/2005	0	0				Down for engine repairs
2/17/2005	0	0				Engine repaired. Started @ 6:30 pm
2/18/2005	0	110				No casing gas
2/19/2005	0	193				No casing gas
2/20/2005	0	193				
2/21/2005	0	203				Lt csg gas blow, pump @ 7 spm, inc to 9.5. Note: Test only no actual sales.
2/22/2005	4	230				
2/23/2005	6	223		4		
2/24/2005	5	177		3		Fluid level 1488
2/25/2005	0	145		1.5		
2/26/2005	4	165		2		
2/27/2005	4	153		2		
2/28/2005	3	145		1		

Monthly Totals	26	3564			
Average	2	121	#DIV/0!	2	#DIV/0!

CDX Gas, LLC**Daily Field Production Report**Month **January-05**Well Name: **ATCHEE CYN 25-12-25 #4**

Meter Data:

Location:

Choke Size:

DATE	Gas Rate (mcf/d)	Water Produced (bbl)	Prod well-tbg (psig)	Prod well-csg (psig)	Line Press (psia)	Comments	Note
1/1/2005							
1/2/2005							
1/3/2005							
1/4/2005							
1/5/2005							
1/6/2005							
1/7/2005							
1/8/2005							
1/9/2005							
1/10/2005		165				Estimated water production	
1/11/2005		165				Estimated water production	
1/12/2005		295					
1/13/2005		147					
1/14/2005		152					
1/15/2005		168					
1/16/2005		125					
1/17/2005		115					
1/18/2005		148					
1/19/2005		146					
1/20/2005		92				Pumping Unit Down	
1/21/2005		0				Pumping Unit Down	
1/22/2005		0				Pumping Unit Down	
1/23/2005		0				Pumping Unit Down	
1/24/2005		0				Replaced head on pumping unit	
1/25/2005		104					
1/26/2005		134					
1/27/2005		122					
1/28/2005		125					
1/29/2005		137					
1/30/2005		138					
1/31/2005		140					

Monthly Totals	0	2618			
Average	#DIV/0!	103	#DIV/0!	#DIV/0!	#DIV/0!

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
CDX Gas, LLC3a. Address
1801 Broadway, Suite 1060 Denver, CO 802023b. Phone No. (include area code)
303-298-8211

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1150' FNL 2283' FWL (NENW) Sec. 25-T12S-R25E

5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
Displacement Point8. Well Name and No.
Atchee Canyon 25-12-25 #49. API Well No.
43-047-3583010. Field and Pool, or Exploratory Area
Wildcat11. County or Parish, State
Uintah County, Utah**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input checked="" type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Preparing to close drilling pit.

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY**

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Alvin R. (Al) Arlian

Title Land Manager - Western Operations

Signature

Date

08/24/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**RECEIVED
AUG 29 2005**

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: CDXRockies LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1801 Broadway, Suite 1060 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: Displacement Point
PHONE NUMBER: (303) 298-8211		8. WELL NAME and NUMBER: Atchee Canyon 25-12-25 #4
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1150' FNL 2283' FWL		9. API NUMBER: 4304735830
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 25 12S 25E		10. FIELD AND POOL, OR WILDCAT: Wildcat

COUNTY: Uintah

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>shutin</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Shutin

NAME (PLEASE PRINT) Alvin (Al) R. Arlian TITLE Land Manager - Western Operations
SIGNATURE [Signature] DATE 8.24.05

(This space for State use only)

RECEIVED
AUG 29 2005
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Pioneer Natural Resources <i>N5/55</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1401 17th St. Ste 1200 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: Displacement Point
PHONE NUMBER: (303) 675-2719		8. WELL NAME and NUMBER: Atchee Canyon 25-12-25 #4
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1150 FNL & 2283 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 25 12S 25E		9. API NUMBER: 4304735830
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

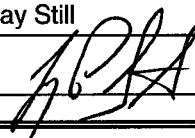
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON	
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____	
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION		

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

CDX Rockies, LLC designates Pioneer Natural Resources USA, Inc., as operator of the Atchee Canyon 25-12-25 #4 well, effective December 22, 2005. Pioneer Natural Resources USA, Inc bonds for Utah are #104319462 (blanket) and #104319463.

N 1860

NAME (PLEASE PRINT) <u>Jay Still</u>	TITLE <u>Vice President, Western Division</u>
SIGNATURE 	DATE _____

(This space for State use only)

APPROVED 3/29/06
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED
JAN 25 2006

DIV. OF OIL, GAS & MINING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155



IN REPLY REFER TO
3180
UT-922

January 26, 2006

Pioneer Natural Resources, USA, Inc.
Attn: Lynn Luhmann
1401 17th Street, Suite 1200
Denver, Colorado 80202

Re: Displacement Point Unit
Uintah County, Utah

Gentlemen:

On January 25, 2006, we received an indenture dated October 1, 2005, whereby CDX Rockies, LLC resigned as Unit Operator and Pioneer Natural Resources, USA, Inc. was designated as Successor Unit Operator for the Displacement Point Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective January 26, 2006. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Displacement Point Unit Agreement.

Your Montana nationwide oil and gas bond No. MTB000041 will be used to cover all federal operations within the Displacement Point Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ David H. Murphy

David H. Murphy
Acting Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Vernal (w/enclosure)
SITLA
Division of Oil, Gas & Mining
File - Displacement Point Unit (w/enclosure)
Agr. Sec. Chron
Fluid Chron
Central Files

RECEIVED

JAN 27 2006

UT922:TAThompson:tt:1/26/06

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Pioneer Natural Resources		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1401 17th St., Suite 1200 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1150' FNL 2283' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 25 12S 25 ^E W		8. WELL NAME and NUMBER: Atchee Cyn 25-12-25 #4
PHONE NUMBER: (303) 675-2719		9. API NUMBER: 4-04735830
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

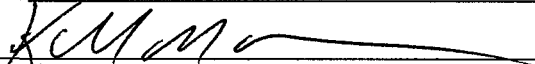
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input checked="" type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 1/9/2006	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please be advised that Pioneer Natural Resources has temporarily abandoned the Atchee Cyn 25-12-25 #4 well as of January 9, 2006.

It is Pioneer's intention to test this well and return it to production in 2006.

NAME (PLEASE PRINT) Kallasandra M. Boulay TITLE Engineering Analyst
SIGNATURE  DATE 2/23/2006

(This space for State use only)

RECEIVED
FEB 27 2006

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9*

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: SEE ATTACHED LIST
2. NAME OF OPERATOR: CDX Rockies, LLC <i>N1860</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1801 BROADWAY #1060 CITY DENVER STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: Displacement Point
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____ COUNTY: _____ QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____ STATE: UTAH		8. WELL NAME and NUMBER: SEE ATTACHED LIST
PHONE NUMBER: (303) 298-8211		9. API NUMBER: SEE ATTACH
		10. FIELD AND POOL, OR WILDCAT: Wildcat

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

CDX Rockies, LLC designates Pioneer Natural Resources USA, Inc. as operator of the attached list of wells located in Uintah County Utah, effective December 22, 2005.

NAME (PLEASE PRINT) <u>Tracy E. Lombardi</u>	TITLE <u>Land/Engineering Tech.</u>
SIGNATURE <u><i>Tracy E. Lombardi</i></u>	DATE <u>2/28/2006</u>

(This space for State use only)

APPROVED 3/29/2006

Earlene Russell

Division of Oil, Gas and Mining

Earlene Russell, Engineering Technician

(5/2000)

(See Instructions on Reverse Side)

RECEIVED

MAR 02 2006

DIV. OF OIL, GAS & MINING

CDX Rockies, LLC designates Pioneer Natural Resources USA, Inc. as operator of the attached list of wells located in Uintah County Utah, effective December 22, 2005.

Well Name	API No.	Location	Lease No.	Status
Atchee Canyon #25-12-25 #4	43-047-35830	NENW 25-T12S-R25E	Fee	SI
Atchee Ridge #22-13-25	43-047-35678	SWSW 22-T13S-R25E	UTU-73189	SI-Drilling
Atchee Ridge #24-13-25 #1	43-047-32602	SESW 24-T13S-R25E	UTU-72075	SI
Atchee Ridge #15-13-25 #1	43-047-32659	SWSE 15-T13S-R25E	UTU-70248	SI
Davis Canyon #12-13-25 #1	43-047-32618	SENE 12-T13S-R25E	UTU-70247	SI
Atchee Canyon #35-12-25	43-047-34297	SENE 35-T12S-R25E	UTU-70905	APD-Approved
Tent Canyon #4-14-14-25	43-047-36784	NWNW 14-T14S-R25E	UTU-72652	APD-Pending

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 3/24/2006 BIA

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: 2/3/2006

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 3/29/2006
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 3/29/2006
3. Bond information entered in RBDMS on: 3/29/2006
4. Fee/State wells attached to bond in RBDMS on: 3/29/2006
5. Injection Projects to new operator in RBDMS on: n/a
6. Receipt of Acceptance of Drilling Procedures for APD/New on: 3/2/2006

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: MTB000041

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: n/a

FEE & STATE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 104319462
2. The **FORMER** operator has requested a release of liability from their bond on: not yet
The Division sent response by letter on: _____

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 3/30/2006

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Pioneer Natural Resources USA, Inc., Attn: Kally Boulay		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1401 17th Street, # 1200 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: UTU 79759X
PHONE NUMBER: (303) 675-2719		8. WELL NAME and NUMBER: Atchee Cyn 25-12-25 #4
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1150' FNL 2283' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 25 12S 25E		9. API NUMBER: 4304735830
		10. FIELD AND POOL, OR WILDCAT: Wildcat
		COUNTY: Uintah
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input checked="" type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: Return to pump
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____			

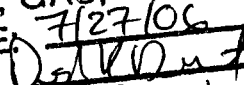
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please be advised that Pioneer Natural Resources has returned the Atchee Canyon 25-12-25 #4 to pump using the existing artificial lift previously installed.

There are no pipelines for this well at this time. Water is being produced to a tank on site and trucked to an existing water disposal well in the area. There has been no gas production since well has been returned to pump. When there is a show for gas production Pioneer will vent the gas.

NAME (PLEASE PRINT) Kallandra M. Boulay TITLE Engineering Analyst
SIGNATURE  DATE 6/8/2006

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE 7/27/06
BY: 

(5/2000)

* Gas shall not be flared beyond time necessary for testing (see 2649-3-20(2))

RECEIVED

JUN 21 2006

DIV. OF OIL, GAS & MINING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>



IN REPLY REFER TO:
3160
(U-922)

May 7, 2007

Pioneer Natural Resources USA Inc.
1401 17th Street, Suite 1200
Denver, CO 80202
Attn: Sharon Logan

Re: Non-Paying Well Determination
Atchee Canyon 25-12-25 #4
Displacement Point Unit
Uintah County, Utah

Gentlemen:

Pursuant to telephone conversation between Sharon Logan and Lance Masoner, Pioneer Natural Resources, and Mickey Coulthard, Bureau of Land Management, it has been determined by this office that under existing conditions the following well is not capable of producing unitized substances in paying quantities as defined in Section 9 of the unit agreement.

API Number	Well Name	Location	Comp. Date	Lease
4304735830	Atchee Cyn 25-12-25 #4	NENW 25 12.0 S 25.0 E SLB&M	01/10/2005	FEE

Production from this well shall be handled and reported on a lease basis. If you have any questions contact Mickey Coulthard of this Office at (801) 539- 4042.

Sincerely,

/s/ Larry Denny

Larry Denny
Acting Chief, Branch of Fluid Minerals

RECEIVED

MAY 08 2007

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 3, 2008

CERTIFIED MAIL NO.: 7004 2510 0004 1824 6183

Ms. Joy Ziegler
Pioneer Natural Resources
1401 17th ST., Suite 1200
Denver, CO 80202

43 047 35830
Hatchee Cyn 4-25-12-25
12S 25E 25

Re: Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases

Dear Ms. Ziegler:

As of July 2008, Pioneer Natural Resources (Pioneer) has three (3) State Mineral Lease Wells and six (6) Fee Lease Wells (see attachment A) in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

Three of these wells have a dated history and a first notice has previously been sent out in regards to their SI/TA status. They are as follows: The State 21-10 well (API# 43-019-31390) - extended SI/TA status was requested by letter dated November 17, 2006. Extension was granted until August 1, 2007. The Division has received no further requests or information on this well. The Main CYN ST 8-2-15-22 well (API# 43-047-31135) - by sundry dated April 10, 2006 Pioneer said it planned to return the well to production. No production reports have been received to date. This well remains SI/TA. The Shimmin Trust 14-12-12-10 well (API# 43-007-30169) - by sundry dated January 25, 2006, Pioneer planned to Plug and Abandon (P&A) this well in early spring of 2006. Approval to P&A this well was given with conditions at that time. This well is still being reported as SI/TA. This is a Second Notice of Non-compliance for these three wells. Please address these matters promptly or a Notice of Violation will be issued. Please submit your plans to produce or plug the other 6 wells referenced in attachment A as well or further actions will be initiated.



Page 2
September 3, 2008
Ms. Ziegler

For extended SI/TA consideration the operator shall provide the Division with the following:


1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

JP/js
Enclosure

cc: Jim Davis, SITLA
Wells File
Compliance File

ATTACHMENT A

	Well Name	API	Lease Type	Years Inactive
1	CASTLEGATE ST 11-16H	43-007-30961	ML-44443	2 Years 1 Month
2	STATE 21-10	43-019-31390	STATE	5 Years 9 Months
3	MAIN CYN ST 8-2-15-22	43-047-31135	STATE	26 Years 10 Months
4	SHIMMIN TRUST 14-12-12-10	43-007-301-69	FEE	7 Years 4 Months
5	SHIMMIN TRUST 3-14-12-10	43-007-30640	FEE	3 Years 2 Months
6	SHIMMIN TRUST 1-12-12-10	43-007-30674	FEE	1 Year 5 Months
7	JENSEN 2-10-12-10	43-007-30675	FEE	4 Years 0 months
8	SHIMMIN 11-14	43-007-30962	FEE	4 Years 0 Months
9	ATCHEE CANYON 25-12-25 #4	43-047-35830	FEE	2 Years 11 Months



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

January 29, 2009

Ms. Joy Ziegler
Pioneer Natural Resources
1401 17th ST., Suite 1200
Denver, CO 80202

43 047 35830
Atchee Cyn 4-25-12-25
12S 25E 25

Subject: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases dated September 3, 2008.

Dear Ms. Ziegler:

The Division of Oil, Gas and Mining (the Division) is in receipt of your letter dated October 8, 2008 in regards to the nine (9) shut-in or temporarily abandoned (SI/TA) wells (Attachment A) operated by Pioneer Natural Resources.

The Division does not object to the proposed work on the said wells. However, due to insufficient evidence the Division is unable to grant extended SI/TA status for these wells. Not enough data was received per R649-3-36 providing proof of integrity or lengths of time wells are expected to be shut-in. The Divisions preferred method of demonstrating well integrity is to perform an MIT. Please note, approval will be necessary prior to continuing with any planned work for these wells.

Please submit an individual sundry for each well along with required information to help expedite approval and documentation processes. If the required information is not received within 30 days of the date of this notice, further actions may be initiated. Please feel free to contact me at (801) 538-5281 concerning specific requirements to ensure all information is included with sundries.

Sincerely,

Dustin K. Doucet
Petroleum Engineer

DKD/JP/js
Enclosure

cc: Jim Davis, SITLA
Wells File
Compliance File



ATTACHMENT A

	Well Name	API	Lease Type	Years Inactive
1	CASTLEGATE ST 11-16H	43-007-30961	ML-44443	2 Years 1 Month
2	STATE 21-10	43-019-31390	STATE	5 Years 9 Months
3	MAIN CYN ST 8-2-15-22	43-047-31135	STATE	26 Years 10 Months
4	SHIMMIN TRUST 14-12-12-10	43-007-301-69	FEE	7 Years 4 Months
5	SHIMMIN TRUST 3-14-12-10	43-007-30640	FEE	3 Years 2 Months
6	SHIMMIN TRUST 1-12-12-10	43-007-30674	FEE	1 Year 5 Months
7	JENSEN 2-10-12-10	43-007-30675	FEE	4 Years 0 months
8	SHIMMIN 11-14	43-007-30962	FEE	4 Years 0 Months
9	ATCHEE CANYON 25-12-25 #4	43-047-35830	FEE	2 Years 11 Months

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Pioneer Natural Resources USA, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1401 17th Street - Ste 1200 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1150' FNL & 2283' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 25 12S 25E		8. WELL NAME and NUMBER: Atchee Canyon 4-25-12-25
PHONE NUMBER: (303) 675-2663		9. API NUMBER: 4304735830
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Extend SI Status</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Pioneer requests an extension to the SI status on the Atchee Canyon 4-25-12-15 well. We are currently writing a procedure to recomplate the well. Recompletion is planned for 2010.

We propose to run a MIT to prove the well integrity as stated in Rule R649-3-36-1.3. Plans are to run the MIT in late spring early summer 2009 when weather and road conditions allow.

The MIT procedure will be as follows:

- 1) MIRU water truck w/triplex pump
- 2) Install chart recorder on wellhead & second line on annulus
- 3) Load well with formation water
- 4) Pressure up to 1000 psi & SI pump
- 5) Record pressure for 30 minutes
- 6) RD & release pump truck

MIT results will be forwarded to UDOGM via the field

COPY SENT TO OPERATOR

Date: 3/26/2009

Initials: KS

NAME (PLEASE PRINT) <u>Joy A. Ziegler</u>	TITLE <u>Senior Engineering Tech</u>
SIGNATURE <u>Joy A. Ziegler</u>	DATE <u>3/18/2009</u>

(This space for State use only) APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 3/25/09

BY: [Signature] (See Instructions on Reverse Side)

Valid through 7/1/2009 to allow time for MIT

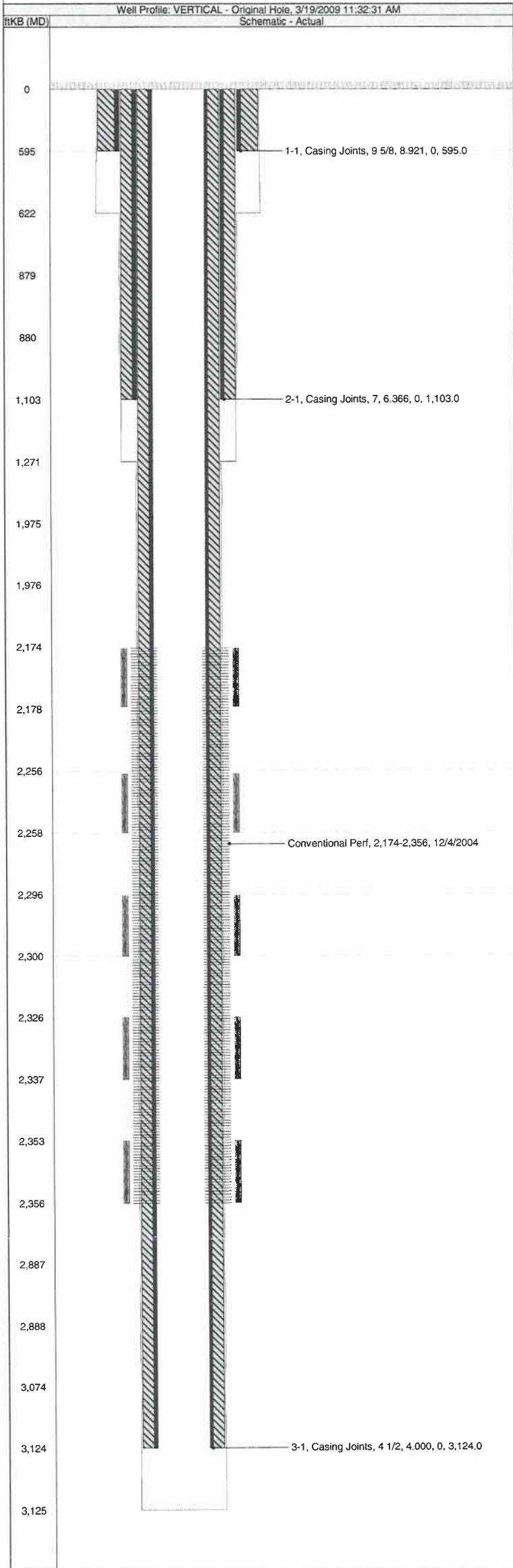
RECEIVED

MAR 23 2009

State Wellbore Rpt

Well Name: Atchee Canyon 4-25-12-25

Western Division



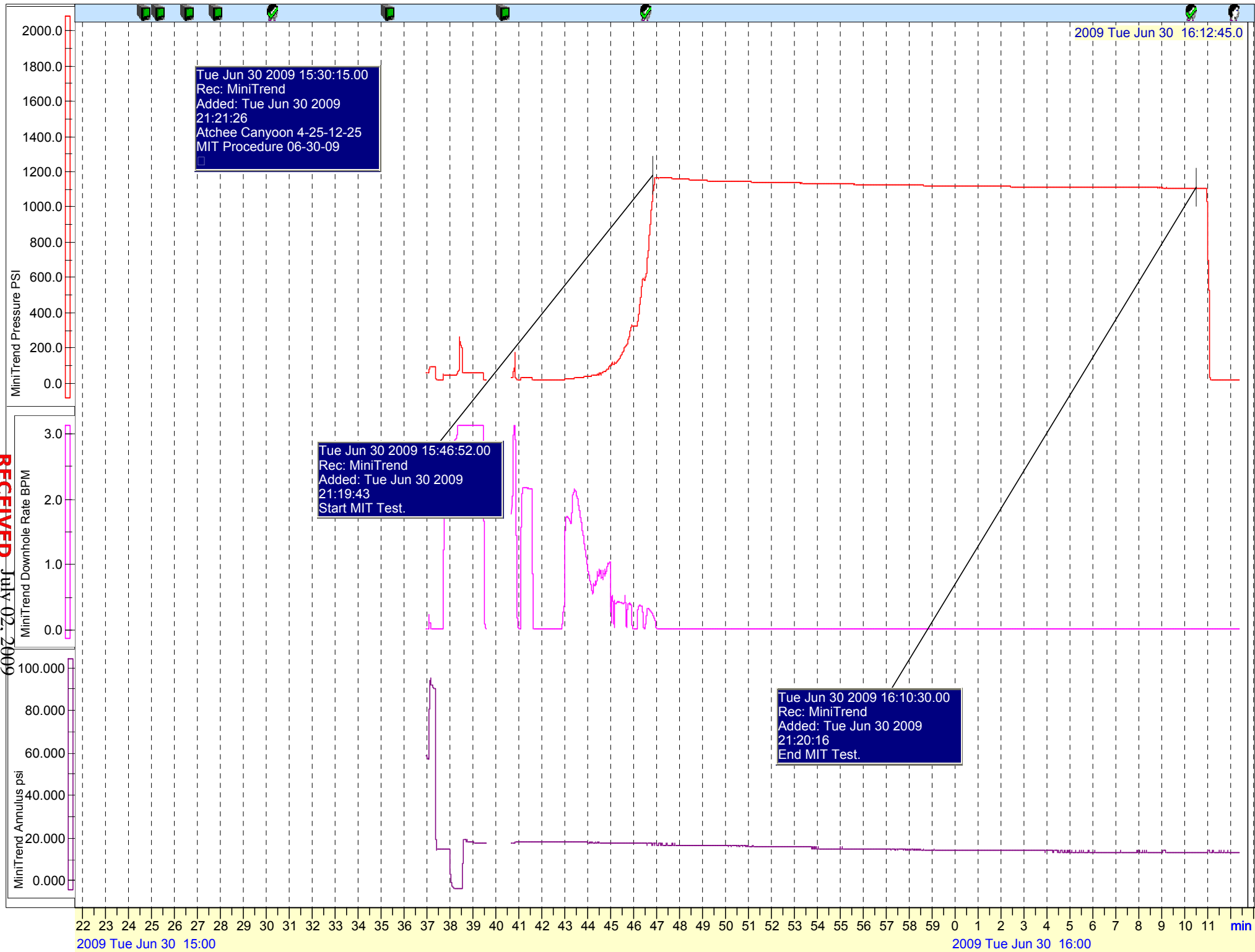
Area Block Number COLUMBINE SPRINGS		County UNITAH		State UTAH	
KB-Grd (ft)	Orig KB Elev (ft)	Gr Elev (ft)	Total Depth (ftKB)	Spud Date	
			3,125.0	10/26/2004	
QTR/QTR NENW		Section 25	Township 12S	Range 25E	
API/UWI 43-047-35830-0000		Operator PIONEER NATURAL RESRC USA, INC.			
Perforations					
Top (ftKB)		Btm (ftKB)		Zone	
2,174.0		2,356.0			
Wellbores					
Wellbore Name					
Original Hole					
Size (in)		Act Top (ftKB)		Act Btm (ftKB)	
12 1/4		0.0		622.0	
8 3/4		622.0		1,271.0	
6 1/4		1,271.0		3,125.0	
PBTDs					
Date			Depth (ftKB)		
			3,074.0		
Tubing Strings					
Run Date	Set Depth (ftKB)	Pull Date	Cut Pull Date	Depth Cut Pull (ft...	
11/20/2004	2,258.0	8/11/2006			
Tubing Components					
Top (ftKB)	Btm (ftKB)	Grade	OD (in)	ID (in)	Wt (lbs/ft)
0.0	2,258.0	J-55	2 3/8	1.995	4.60
Casing Strings					
Surface, 595.0ftKB					
Run Date	Comment				
10/27/2004					
OD (in)	Item Description	Btm (ftKB)	Jts	ID (in)	Wt (kips)
9 5/8	Casing Joints	595.0		8.921	21.4
Intermediate, 1,103.0ftKB					
Run Date	Comment				
11/10/2004					
OD (in)	Item Description	Btm (ftKB)	Jts	ID (in)	Wt (kips)
7	Casing Joints	1,103.0		6.366	25.4
Production, 3,124.0ftKB					
Run Date	Comment				
11/18/2004					
OD (in)	Item Description	Btm (ftKB)	Jts	ID (in)	Wt (kips)
4 1/2	Casing Joints	3,124.0		4.000	36.2
Cement					
Surface Casing Cement, casing, 10/27/2004 17:30					
Description	Start Date	End Date	String	Type	
Surface Casing Cement	10/27/...	10/27/...	Surface, 595.0ftKB	casing	
1, 0.0-595.0ftKB					
Stage Number	Top (ftKB)	Bottom (ftKB)	Full Return?		
1	0.0	595.0	Yes		
Class	Amount (sacks)	Density (lb/gal)	Yield (ft³/sack)		
Mix H2O Ratio (gal/sack)		Yield (ft³/sack)			
Add	Amount	Amt Units	Conc Units	Conc	
Intermediate Casing Cement, casing, 11/10/2004 15:30					
Description	Start Date	End Date	String	Type	
Intermediate Casing Cement	11/10/...	11/10/...	Intermediate, 1,103.0ftKB	casing	
1, 0.0-1,103.0ftKB					
Stage Number	Top (ftKB)	Bottom (ftKB)	Full Return?		
1	0.0	1,103.0	Yes		
Class	Amount (sacks)	Density (lb/gal)	Yield (ft³/sack)		
Mix H2O Ratio (gal/sack)		Yield (ft³/sack)			
Add	Amount	Amt Units	Conc Units	Conc	
Production Casing Cement, casing, 11/18/2004 20:30					
Description	Start Date	End Date	String	Type	
Production Casing Cement	11/18/...	11/18/...	Production, 3,124.0ftKB	casing	
1, 0.0-3,124.0ftKB					
Stage Number	Top (ftKB)	Bottom (ftKB)	Full Return?		
1	0.0	3,124.0	Yes		
Class	Amount (sacks)	Density (lb/gal)	Yield (ft³/sack)		
Mix H2O Ratio (gal/sack)		Yield (ft³/sack)			
Add	Amount	Amt Units	Conc Units	Conc	
Jobs					
Job Category	Primary Job Type		Start Date	End Date	
RECOMPLETION	PRODUCTION LOG				
Job Summary					
Log well to determine coal saturation state.					
Daily Operations					
Start Date		Summary			

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: PIONEER NATURAL RESOURCES USA, INC		7. UNIT or CA AGREEMENT NAME: DISPLACEMENT POINT
3. ADDRESS OF OPERATOR: 1401 17th Street, Suite 1200 , Denver, CO, 80202		8. WELL NAME and NUMBER: ATCHEE CANYON 4-25-12-25
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1150 FNL 2283 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENW Section: 25 Township: 12.0S Range: 25.0E Meridian: S		9. API NUMBER: 43047358300000
PHONE NUMBER: 303 298-8100 Ext		9. FIELD and POOL or WILDCAT: WILDCAT
COUNTY: UINTAH		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 6/30/2009	<input type="checkbox"/> ALTER CASING	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input checked="" type="checkbox"/> OTHER	
	OTHER: MIT	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Attached is the MIT run on 6/30/09 for the Atchee Canyon 4-25-12-25 well. Pressure up to 1100# and held for 30 minutes - monitored annulus and bleed pressure off. Test passed.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY July 07, 2009		
NAME (PLEASE PRINT) Joy A. Ziegler	PHONE NUMBER 303 675-2663	TITLE Senior Engineering Tech
SIGNATURE N/A	DATE 7/2/2009	

RECEIVED July 02, 2009

Printed: Tue Jun 30 2009 21:27:51

Default\GRAPH006



Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ

2. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

3/1/2010

FROM: (Old Operator): N5155-Pioneer Natural Resources USA, Inc. 1401 17th St, Suite 1200 Denver, CO 80202 Phone: 1 (303) 675-2610	TO: (New Operator): N3655-Foundation Energy Management, LLC 14800 Landmark Blvd, Suite 2200 Dallas, TX 75254 Phone: 1 (918) 585-1650
--	--

CA No.

Unit:

DISPLACEMENT POINT

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LIST								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 3/18/2010
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 3/18/2010
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 2/23/2010
- Is the new operator registered in the State of Utah: Business Number: 7591070-0161
- (R649-9-2) Waste Management Plan has been received on: Requested
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: not yet
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to Inject, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 5/20/2010
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 6/10/2010
- Bond information entered in RBDMS on: 5/20/2010
- Fee/State wells attached to bond in RBDMS on: 5/20/2010
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UTB000427
- Indian well(s) covered by Bond Number: n/a
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number B005552 & B005635
- The **FORMER** operator has requested a release of liability from their bond on: n/a

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 6/10/2010

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

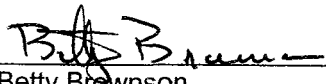
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Foundation Energy Management, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 14800 Landmark Blvd. - Ste 220 CITY Dallas STATE TX ZIP 72254		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (918) 585-1650		8. WELL NAME and NUMBER: See Attached List
4. LOCATION OF WELL FOOTAGES AT SURFACE: COUNTY: STATE: UTAH		9. API NUMBER:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		10. FIELD AND POOL, OR WILDCAT:

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

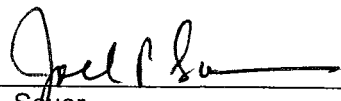
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON	
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 1/1/2010	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____	
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION		

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Foundation Energy Management, LLC. has acquired all of Pioneer Natural Resources USA, Inc.'s interest in the attached list of wells. Foundation Energy Management, LLC. assumed operations of these wells on March 1, 2010.


Betty Brownson
Attorney-In-Fact
Pioneer Natural Resources USA, Inc.

1401 17th Street - Suite 1200
Denver, CO 80202
Telephone: 303-675-2610
Fax: 303-294-1255

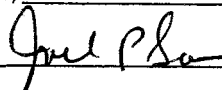

Joel P. Sauer
Vice President
Foundation Energy Management, LLC.

14800 Landmark Blvd., Suite 220
Dallas, Texas 75254
UDOGM Bond No. ~~B005500~~ B005552 & B005635
UT Trust Lands: B005499 BLM Bond No UTB000427
Telephone: 918-585-1650
Fax: 918-585-1660

NAME (PLEASE PRINT) Joel P. Sauer

TITLE Vice President


SIGNATURE



APPROVED 5/20/2010

3-10-2010 RECEIVED

(This space for State use only)


Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

MAR 18 2010

DIV. OF OIL, GAS & MINING

Pioneer Natural Resources (N5155) to Foundation Energy Management (N3655)
EFFECTIVE March 1, 2010

well_name	sec	tpw	rng	api	entity	lease	type	stat	C
RAT HOLE CYN UNIT 1 7-8-14-25	08	140S	250E	4304730325	16219	Federal	GW	S	
DRY BURN U 1 1-29-13S-25E	29	130S	250E	4304730331	16218	Federal	GW	S	
ATCHEE RIDGE 24-13-25 1	24	130S	250E	4304732602	11963	Federal	GW	S	
DAVIS CANYON 12-13-25 1	12	130S	250E	4304732618	11970	Federal	GW	P	
ATCHEE RIDGE 15-13-25 1	15	130S	250E	4304732659	11962	Federal	GW	S	
FED ATCHEE RIDGE 22-13-25	22	130S	250E	4304735678	14972	Federal	GW	OPS	C
ATCHEE CANYON 4-25-12-25	25	120S	250E	4304735830	14371	Fee	GW	S	
UTCO FEE 23C-25-12-25	25	120S	250E	4304738252	15816	Fee	GW	OPS	C

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

NA

7. UNIT or CO AGREEMENT NAME:

Displacement Point

8. WELL NAME and NUMBER:

Atchee Canyon 25-12-25 #4

9. API NUMBER:

4304735830

10. FIELD AND POOL, OR WILDCAT:

Wildcat

1. TYPE OF WELL

OIL WELL ☐GAS WELL ☒

OTHER _____

2. NAME OF OPERATOR:

Foundation Energy

3. ADDRESS OF OPERATOR:

14800 Landmark Blvd.

CITY Dallas

STATE TX

ZIP 75254

PHONE NUMBER:

(972) 934-8385

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1150' FNL, 2283' FWL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 25 12S 25E

STATE

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒ NOTICE OF INTENT
(Submit in Duplicate)
Approximate date work will start:

☐ SUBSEQUENT REPORT
(Submit Original Form Only)
Date of work completion:
☐ ACIDIZE☐ ALTER CASING☐ CASING REPAIR☐ CHANGE TO PREVIOUS PLANS☐ CHANGE TUBING☐ CHANGE WELL NAME☐ CHANGE WELL STATUS☐ COMINGLE PRODUCING FORMATIONS☐ CONVERT WELL TYPE☐ DEEPEN☐ FRACTURE TREAT☐ NEW CONSTRUCTION☐ OPERATOR CHANGE☒ PLUG AND ABANDON☐ PLUG BACK☐ PRODUCTION (START/RESUME)☐ RECLAMATION OF WELL SITE☐ RECOMPLETE - DIFFERENT FORMATION☐ REPERFORATE CURRENT FORMATION☐ SIDETRACK TO REPAIR WELL☐ TEMPORARILY ABANDON☐ TUBING REPAIR☐ VENT OR FLARE☐ WATER DISPOSAL☐ WATER SHUT-OFF☐ OTHER: _____

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Foundation Energy plans to P&A the above well per the attached procedure.

COPY SENT TO OPERATOR

Date: 6/10/2010

Initials: KS

NAME (PLEASE PRINT)

JACK RICH

TITLE

Operations Superintendent

SIGNATURE

JACK RICH

DATE

5/24/10

(This space for State use only)

**APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING**

DATE: 6/9/10

BY: [Signature]

(See Instructions on Reverse Side)

* See Conditions of Approval (Attached)

RECEIVED**MAY 26 2010****DIV. OF OIL, GAS & MINING**

P&A Procedure Atchee Canyon 4-25-12-25

9 5/8" @ 595' TOC @ Surface

7" @ 1,103' TOC @ 236'

4 1/2" @ 3,124' TOC 661'

Perfs: 2,174'-2,358'

Prior to MI check deadmen and blow down well

MIRU

POH with tubing

RIH with bit to 2,000'

POH

RIH with CICR and set at 2,000'

Spot 40 sacks of cement under and 10 on top of the retainer

Roll hole with produced water, and pressure test casing

If pressure test fails, call for orders.

POH to 1,150' Spot 20 sacks balanced plug

POH to 100' circulate cement to surface

Cut off wellhead

Run 1" into 7" x 4 1/2" annulus to 50' and circulate cement to surface

Run 1" into 7" x 9 5/8" annulus to 50' and circulate cement to surface

Top off cement if necessary

Weld on a plate

All cement is 15.8# class G neat

RECEIVED

MAY 26 2010

DIV. OF OIL, GAS & MINING



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

CONDITIONS OF APPROVAL TO PLUG AND ABANDON WELL

Well Name and Number: Atchee Canyon 4-25-12-25
API Number: 43-047-35830
Operator: Foundation Energy Management LLC
Reference Document: Original Sundry Notice dated May 24, 2010,
received by DOGM on May 26, 2010.

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
2. All balanced plugs shall be tagged to ensure that they are at the depth specified.
3. All annuli shall be filled from a minimum of 50' to surface.
4. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.
5. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
6. If there are any changes to the procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.
7. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet
Petroleum Engineer

June 9, 2010

Date



Wellbore Diagram

API Well No: 43-047-35830-00-00

Permit No:

Well Name/No: ATCHEE CANYON 4-25-12-25

Company Name: FOUNDATION ENERGY MANAGEMENT LLC

Location: Sec: 25 T: 12S R: 25E Spot: NENW

Coordinates: X: 665540 Y: 4401581

Field Name: WILDCAT

County Name: UINTAH

String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)
HOL1	595	12.25		
SURF	595	9.625	36	595
HOL2	1103	8.75		
II	1103	7	23	1103
HOL3	3124	6.25		
PROD	3124	4.5	11.6	3124
T1	2258	2.375		

Capacity
(f/cf)

11.459

Plug #3
 $100' / (1.15)(11.459) = 85x \text{ req.}$

Cement from 595 ft. to surface

Surface: 9.625 in. @ 595 ft.

Hole: 12.25 in. @ 595 ft.

Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
II	1103	0	50	105
II	1103	0	G	300
PROD	3124	0	50	315
SURF	595	0	G	300

980'
MVRD987'
Cement from 1103 ft. to surface

Intermediate: 7 in. @ 1103 ft.

Hole: 8.75 in. @ 1103 ft.

1150'

Plug #2
 $(205x)(1.15)(11.459) = 263'$
 TOC @ 987'

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
2174	2490			

1869'

CICR @ 2000'

Cement from 3124 ft. to surface

Tubing: 2.375 in. @ 2258 ft.

Plug #1
 Below $(405x)(1.15)(11.459) = 527'$
 BOC @ 2527' max
 Above $(105x)(1.15)(11.459) = 131'$
 TOC @ 1869' ✓

Formation Information

Formation	Depth
MVRD	880
SEGO	2888

2490'

Production: 4.5 in. @ 3124 ft.

Hole: 6.25 in. @ 3124 ft.

2888'
SEGO

TD: 3124 TVD: 3124 PBTD: 3074

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Foundation Energy Management, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 14800 Landmark blvd. 220 CITY Dallas STATE TX ZIP 75254		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (970) 675-2034		8. WELL NAME and NUMBER: Atchee Canyon 25-12-25- #4
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1150' FNL 2283' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 25 12S 25E		9. API NUMBER: 43-047-35830
COUNTY: Uintah,		10. FIELD AND POOL, OR WILDCAT: Whiskey Creek
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well has been plugged and abandoned
Completed on 8/09/2010

RECEIVED

DEC 21 2010

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>Wanda Van Wagoner</u>	TITLE <u>Operations Assistant</u>
SIGNATURE <u>Wanda Van Wagoner</u>	DATE <u>12/10/2010</u>

(This space for State use only)

Western Wellsite Services

17509 CR 14 Fort Morgan, Co 80701

970-867-9007

Operator: Foundation Energy

Date: 8-9-10

Well name: **Atchee canyon 25-12-25 #4**

MIRU, NDWH, NUBOP

PU bit and TIH to 1998', TOH, LD bit, PU CICR TIH and set at 1998', Pressure test tubing held, Pressure test casing held, Zero rate into perfs, Load hole with 50bls production water with corrosion inhibitor, Mix and pump 10sxs class G cement, TOH to 1152', Mix and pump 20sxs class G cement, TOH,

Dig out wellhead, Cut off wellhead, Fluid level at 120' in 4.5", Fluid level at 70' between 4.5" and 7" annulus, cement to surface in surface annulus, Mix and pump 25sxs class G cement to fill all annuli, Weld on info plate, RDMO

55 total sxs cement

2179' tubing recovered from well

Sate hand on location was Dave Hackford

Thanks,

Adam Chastain

RECEIVED

DEC 21 2010

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:
FEE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
OIL WELL ☐ GAS WELL ☒ OTHER _____

8. WELL NAME and NUMBER:
Atchee Canyon 4-25-12-25

2. NAME OF OPERATOR:
Foundation Energy Management LLC

9. API NUMBER:
4304735830

3. ADDRESS OF OPERATOR:
1801 Broadway CITY **Denver** STATE **Co** ZIP **80202**

PHONE NUMBER:
(303) 861-0504

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: **1150' FNL & 2283' FWL**

COUNTY: **Uintah**

QTR/QTR. SECTION, TOWNSHIP, RANGE, MERIDIAN: **NENW 25 12S 25E**

STATE: **UTAH**

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 8/1/2011	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input checked="" type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Foundation Energy Management plans to reclaim the lease site and lease road per the attached plan following approval.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

NAME (PLEASE PRINT) **Max Ropshaw**

TITLE **Operations**

SIGNATURE *Max Ropshaw*

DATE **6/29/2011**

(This space for State use only)

Foundation Energy Management, LLC

Standard Surface Reclamation Plan

Foundation Energy Management (FEM) requests permission to start surface reclamation of the well pad after plugging and abandonment operations per the following guidelines.

Stage #1: Dirt work and pad preparation

- A. Contact BLM and the state agency 24 hours prior to start of surface dirt work.
- B. Take the existing well pad back to natural repose as close as possible.
- C. If there are no existing well pads or public permitted access beyond this well, the access road will be reclaimed back to natural repose as close as possible.
- D. If topsoil pile is present, topsoil will be spread evenly across the reclaimed pad. If no stored stock pile of topsoil is present, we will use the soil at the bottom of the fill side of the location for topsoil.
- E. Storm water control contour ditches will be cut on a level plain to control erosion and sediment flows from the pad. Contour ditch dimension will be 12 inches deep, 6 inches tall, totaling 18 inches minimum, 18 inches deep and 8 to 10 inches totaling 26 to 28 inches maximum from top to bottom. Should the contour ditches still be visible at a time when 80% revegetation has been established, FEM will reclaim the ditches and reseed prior to submission of the FAN notice. All storm water BMPs will comply with the state agency, CDPH&E and Onshore Order #1. Stormwater management practices will be dictated by the individual constraints, such as: topsoil and sub-soil types, aspect, slope, length of slope and average precipitation. However, typical stormwater management practices include surface roughening via ripped furrows on contour and other flow controls. Stormwater management practices and BMP's will be implemented in such a way so that no additional maintenance will be necessary at the time of Final Abandonment. If road reclamation is needed, stormwater BMP's will be used in the restored natural drainage to control erosion and sediment flows.
- F. All seed beds will be prepared by contour ripping of the cut surface to 12 to 18 inches in depth. Contours will be shaped to natural repose of the reclaimed surface. Seeding will take place within 24 hours of completion of the dirt work, weather permitting. Should weather conditions or any unforeseen problems arise, the surface will be disked up prior to seeding. Seed depth will be drilled to a minimum depth of 0.25 inches and maximum 0.50 inches.
- G. The gathering line will be dug down and capped to isolate it from the transport line. The original gathering line will be abandon in place so as not to disturb established natural vegetation of the right of way.

Stage #2: Seeding of site

- A. FEM will drill where possible or broadcast and drag on steeper slopes where drilling is not safe.
- B. All seed weight will be calculated in pounds per acre. Any area in which broadcasting and dragging of the seed is needed, it will be done at double the seed per acre. Broadcast and drag will only be used if the steepness of the topography will not allow for drilling.
- C. All seed will be certified weed free and pure live seed rated per BLM standards.
- D. All seed tags will be submitted with the sundry notice describing completed work within 14 days of completion of the work.
- E. In the event the BLM recommended seed mix does not match the site specific eco-tone and/or habitat type, FEM will request a site specific seed mix from the BLM.
- F. In the event a seed type and/or cultivar is not available, due to market price, crop failure and/or being phased out, due to more viable varieties, FEM will request a viable substitution from the BLM.
- G. Seeding may need to be repeated until successful. FEM will monitor and ensure successful vegetation establishment and notify the BLM via FAN when success has been achieved and the location is ready for final inspection.

III. Stage #3: Weed Management

- A. FEM will monitor and control and reduce the spread of noxious weed species for the life of the project until FAN is approved.
- B. Inspections for noxious weeds will be done monthly in conjunction with the Storm Water Management inspections.
- C. FEM will insure that approved Pesticide Use Permits are in proper order prior to any application of herbicides.
- D. FEM may use mechanical weed removal where it is appropriate to prevent damage to desired plant life.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS <small>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.</small>		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
		8. WELL NAME and NUMBER: Atchee Canyon 4-25-12-25
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		9. API NUMBER: 4304735830
2. NAME OF OPERATOR: Foundation Energy Management LLC		10. FIELD AND POOL, OR WILDCAT: Wildcat
3. ADDRESS OF OPERATOR: 1801 Broadway Denver Co 80202		PHONE NUMBER: (303) 861-0504
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1150' FNL & 2283' FWL COUNTRY: Utah QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 25 12S 25E STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 8/1/2011	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input checked="" type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER _____
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Foundation Energy Management plans to reclaim the lease site and lease road per the attached plan following approval.

COPY SENT TO OPERATOR

Date: **JUN 21 2011**

Initials: **KS**

Approved by the
Utah Division of
Oil, Gas and Mining

Date: **7/20/11**

By: **[Signature]**

NAME (PLEASE PRINT) Max Ropshaw	TITLE Operations
SIGNATURE [Signature]	DATE 6/29/2011

(This space for State use only)

RECEIVED
JUN 29 2011
DIV. OF OIL, GAS & MINING

Foundation Energy Management, LLC

Standard Surface Reclamation Plan

Foundation Energy Management (FEM) requests permission to start surface reclamation of the well pad after plugging and abandonment operations per the following guidelines.

Stage #1: Dirt work and pad preparation

- A. Contact BLM and the state agency 24 hours prior to start of surface dirt work.
- B. Take the existing well pad back to natural repose as close as possible.
- C. If there are no existing well pads or public permitted access beyond this well, the access road will be reclaimed back to natural repose as close as possible.
- D. If topsoil pile is present, topsoil will be spread evenly across the reclaimed pad. If no stored stock pile of topsoil is present, we will use the soil at the bottom of the fill side of the location for topsoil.
- E. Storm water control contour ditches will be cut on a level plain to control erosion and sediment flows from the pad. Contour ditch dimension will be 12 inches deep, 6 inches tall, totaling 18 inches minimum, 18 inches deep and 8 to 10 inches totaling 26 to 28 inches maximum from top to bottom. Should the contour ditches still be visible at a time when 80% revegetation has been established, FEM will reclaim the ditches and reseed prior to submission of the FAN notice. All storm water BMPs will comply with the state agency, CDPH&E and Onshore Order #1. Stormwater management practices will be dictated by the individual constraints, such as: topsoil and sub-soil types, aspect, slope, length of slope and average precipitation. However, typical stormwater management practices include surface roughening via ripped furrows on contour and other flow controls. Stormwater management practices and BMP's will be implemented in such a way so that no additional maintenance will be necessary at the time of Final Abandonment. If road reclamation is needed, stormwater BMP's will be used in the restored natural drainage to control erosion and sediment flows.
- F. All seed beds will be prepared by contour ripping of the cut surface to 12 to 18 inches in depth. Contours will be shaped to natural repose of the reclaimed surface. Seeding will take place within 24 hours of completion of the dirt work, weather permitting. Should weather conditions or any unforeseen problems arise, the surface will be disked up prior to seeding. Seed depth will be drilled to a minimum depth of 0.25 inches and maximum 0.50 inches.
- G. The gathering line will be dug down and capped to isolate it from the transport line. The original gathering line will be abandon in place so as not to disturb established natural vegetation of the right of way.

Stage #2: Seeding of site

- A. FEM will drill where possible or broadcast and drag on steeper slopes where drilling is not safe.
- B. All seed weight will be calculated in pounds per acre. Any area in which broadcasting and dragging of the seed is needed, it will be done at double the seed per acre. Broadcast and drag will only be used if the steepness of the topography will not allow for drilling.
- C. All seed will be certified weed free and pure live seed rated per BLM standards.
- D. All seed tags will be submitted with the sundry notice describing completed work within 14 days of completion of the work.
- E. In the event the BLM recommended seed mix does not match the site specific eco-tone and/or habitat type, FEM will request a site specific seed mix from the BLM.
- F. In the event a seed type and/or cultivar is not available, due to market price, crop failure and/or being phased out, due to more viable varieties, FEM will request a viable substitution from the BLM.
- G. Seeding may need to be repeated until successful. FEM will monitor and ensure successful vegetation establishment and notify the BLM via FAN when success has been achieved and the location is ready for final inspection.

III. Stage #3: Weed Management

- A. FEM will monitor and control and reduce the spread of noxious weed species for the life of the project until FAN is approved.
- B. Inspections for noxious weeds will be done monthly in conjunction with the Storm Water Management inspections.
- C. FEM will insure that approved Pesticide Use Permits are in proper order prior to any application of herbicides.
- D. FEM may use mechanical weed removal where it is appropriate to prevent damage to desired plant life.